As filed with the Securities and Exchange Commission on April 23, 2002

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BENTLEY SYSTEMS, INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**7372**	**95-3936623**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

685 Stockton Drive **Exton, Pennsylvania 19341** **610-458-5000** (Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)	**David Nation** **685 Stockton Drive** **Exton, Pennsylvania 19341** **610-458-5000** (Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies of all communications to:

Walter J. Mostek, Jr., Esq. **James Biehl, Esq.** **Drinker Biddle & Reath LLP** **One Logan Square** **18th & Cherry Streets** **Philadelphia, Pennsylvania 19103**	**Gordon H. Hayes, Jr., Esq.** **Testa, Hurwitz & Thibeault, LLP** **125 High Street** **Boston, Massachusetts 02110**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, $0.01 par value per share	$172,500,000	$15,870

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is declared effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 23, 2002

PROSPECTUS

Shares

Common Stock

This is the initial public offering of Bentley Systems, Incorporated. We are offering shares and the selling stockholder identified in this prospectus is offering shares of our common stock. We anticipate that the initial public offering price will be between $ and $ per share. We have applied to list our common stock on the New York Stock Exchange under the symbol "BSS."

Investing in our common stock involves risks. See "Risk Factors" beginning on page 6.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to Bentley Systems, Incorporated	$	$
Proceeds, before expenses, to the selling stockholder	$	$

We have granted the underwriters the right to purchase up to additional shares of common stock to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Lehman Brothers and Deutsche Bank Securities, on behalf of the underwriters, expect to deliver the shares on or about , 2002.

Joint Bookrunning Managers

LEHMAN BROTHERS **DEUTSCHE BANK SECURITIES**

SG COWEN **WACHOVIA SECURITIES**

The date of this prospectus is , 2002.

BENTLEY

Our software solutions are used to design, engineer, build and operate large constructed assets, such as roadways, bridges, buildings, industrial and power plants and utility networks.

We focus on five vertical industries:

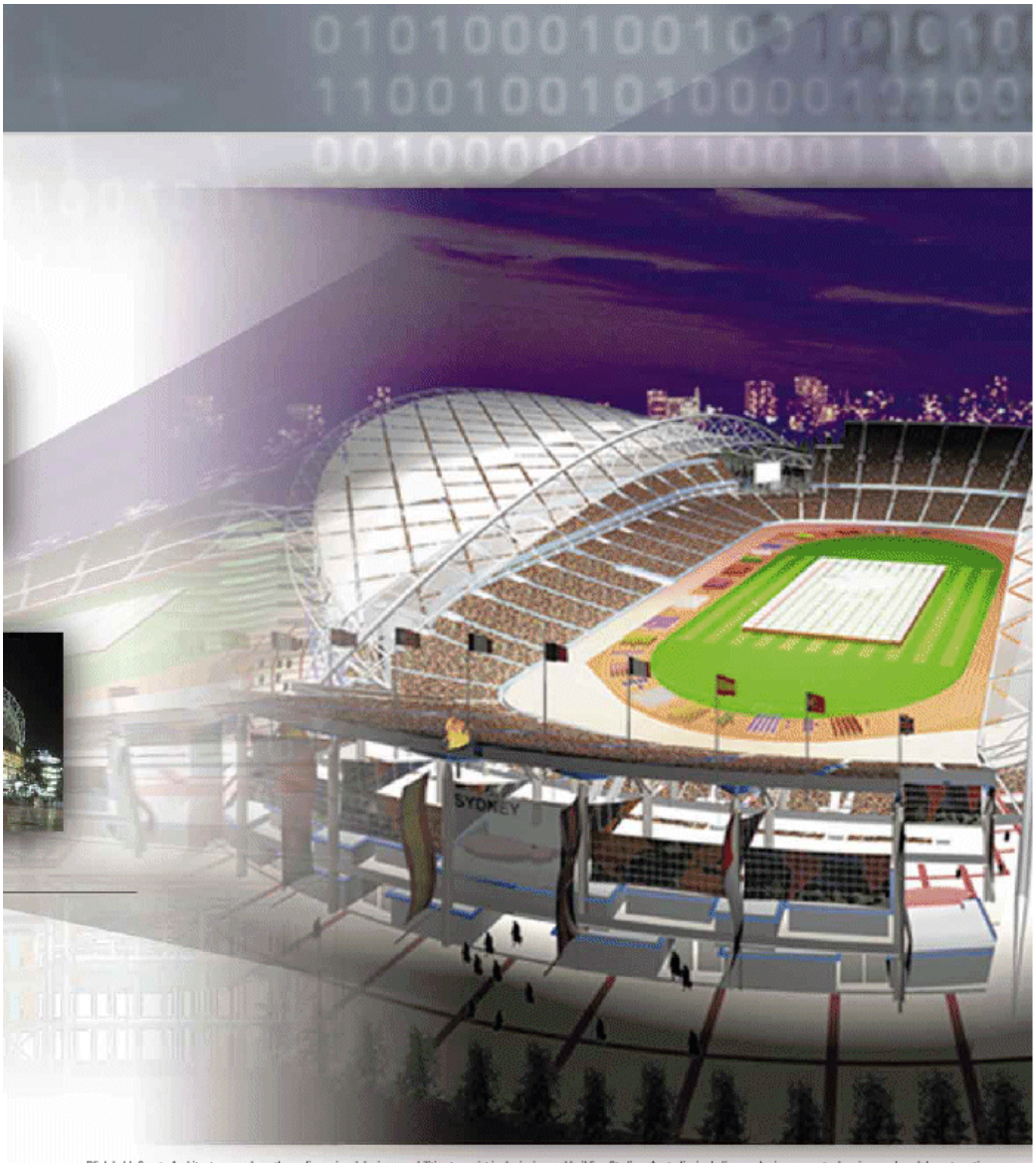
Utilities

Transportation

Building

Manufacturing Plants

Government



Bligh Lobb Sports Architecture used our three-dimensional design capabilities to assist in designing and building Stadium Australia, including producing accurate drawings and models, automating engineering tasks and optimizing construction schedules.

PROSPECTUS SUMMARY

This summary highlights key aspects of the information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors."

References to "we," "us," "our" and "our company" refer to Bentley Systems, Incorporated together with its subsidiaries.

Bentley Systems, Incorporated

We are a global provider of collaborative software solutions that enable our users to create, manage and publish architectural, engineering and construction (AEC) content. Our software solutions are used to design, engineer, build and operate large constructed assets such as roadways, bridges, buildings, industrial and power plants and utility networks. We focus on five vertical industries that deploy such assets: transportation, manufacturing plants, building, utilities and government. In addition, we provide professional services for our software solutions, including implementation, integration, customization and training.

We generate revenues through a renewable subscription program, known as Bentley SELECT, as well as through perpetual licenses and services. We actively market the benefits of Bentley SELECT and expect to continue growing our subscriptions revenues in future periods. In 2001, more than 60% of our revenues were derived from our subscriptions.

Organizations engaged in the design, construction and operation of large constructed assets require a software solution that facilitates efficient design, while also allowing all project participants to communicate, collaborate and share information throughout an asset's lifecycle. These organizations also require solutions that are specifically tailored to meet their unique industry requirements and business processes.

Our collaborative software solutions allow project participants to communicate, collaborate and share AEC content. This collaboration enables our users to maximize the value of AEC content by providing an integrated approach to managing the lifecycle of large constructed assets. Our solutions are used to:

- *Create*. Generate architectural and engineering designs and associate them with intelligent content such as descriptive and other relevant information.
- *Manage*. Store, organize and index content, provide and control access and track and record changes.
- *Publish*. Share and distribute content through multiple methods to project participants from disparate organizations and communicate relevant content to other enterprise applications.

For example, using our solutions, a pump is created as an intelligent, three-dimensional graphic component and associated with descriptive attributes such as capacity and price. Through our collaboration servers, the pump can be accessed by project participants and incorporated into other designs, printed on paper or viewed over the Internet. Our collaboration servers can also send descriptive information about the pump to procurement or other enterprise systems. We believe that our collaborative approach facilitates the design and construction process, shortens project schedules, reduces overall project costs and facilitates the operation and management of the constructed asset.

The foundation of our software solutions is our design platform, MicroStation. MicroStation was originally developed in the mid-1980s by a team of developers led by Keith and Barry Bentley. We also offer discipline-specific applications tailored to the specific needs of users in our targeted vertical industries. Our collaboration servers manage and publish content created by MicroStation and our discipline-specific applications, as well as content created by other design and enterprise applications.

Our solutions are used by major architectural, engineering and construction firms, including Bechtel Corporation, as well as by owner/ operators of large constructed assets, including 46 U.S. state departments of transportation, Fincantieri Cantieri Nivali Italiani SpA, Union Bank of Switzerland, San Antonio City Public Service Board and the U.S. Army Corps of Engineers. We believe that owner/ operators will drive the use of collaborative AEC content applications. And today, approximately two-thirds of our MicroStation registered licenses are registered by owner/ operators. We generated total revenues of $202.6 million and net income of $4.1 million in 2001. Sales outside North America constituted 48% of total revenues, and no single customer accounted for over 1% of total revenues, in 2001.

Our objective is to be a leading provider of collaborative software solutions to the industries we have targeted. To achieve this objective we intend to pursue the following strategies:

- Focus on the vertical industries we serve;
- Enhance and extend our collaborative software solutions;
- Grow our subscriptions revenues;
- Increase our direct sales and support capabilities;
- Expand our professional services; and
- Grow through strategic acquisitions.

We were originally incorporated in California in 1984 and reincorporated in Delaware in March 1987. Our principal executive office is located at 685 Stockton Drive, Exton, Pennsylvania 19341. Our telephone number at that address is 610-458-5000. We maintain our primary website at www.bentley.com and a number of special purpose websites in the United States and other countries in which we do business. Our websites, and the information contained therein, are not part of this prospectus.

Pending Acquisition

On January 25, 2002, we purchased a 12.5% interest in, and an option to acquire the remainder of, Rebis, a leading developer of discipline-specific applications for the manufacturing plants industry. We expect to exercise our option to acquire the remainder of Rebis and complete this acquisition simultaneously with or soon after the closing of this offering. We intend to use approximately $ million of the net proceeds from this offering to fund a portion of this acquisition. The completion of the acquisition of Rebis is not a condition to the closing of this offering. For the fiscal year ended September 30, 2001, Rebis had total revenues of $15.9 million and net income of $1.3 million.

TRADEMARKS

Bentley®, the “B” logo, MicroStation® and Bentley SELECT® are trademarks or service marks of ours. Other trademarks and trade names appearing in this prospectus are the property of their respective holders.

The Offering

Common stock offered by Bentley Systems	shares
Common stock offered by the selling stockholder	shares
Common stock to be outstanding after the offering	shares
Use of proceeds	We estimate that our net proceeds from this offering, without exercise of the over-allotment option, will be approximately $ million. We intend to use (1) approximately $ million of the net proceeds to fund a portion of our proposed acquisition of Rebis, (2) approximately $15.2 million of the net proceeds to repay indebtedness under an acquisition note and (3) the remaining net proceeds for general corporate purposes, capital expenditures and strategic acquisitions.
Proposed New York Stock Exchange symbol	BSS

The number of shares of common stock to be outstanding immediately after this offering is based on the number of shares outstanding as of March 31, 2002 and excludes:

- 3,957,946 shares of common stock issuable upon exercise of options outstanding at a weighted average exercise price of $5.75 per share;
- shares of common stock issuable upon exercise of options outstanding to be assumed in connection with the proposed acquisition of Rebis at a weighted average exercise price of $ per share;
- 988,290 shares of common stock issuable upon exercise of warrants outstanding at an exercise price of $10.17 per share; and
- 2,100,000 additional shares of common stock that will be available for future issuance under our stock option plans.

Unless otherwise indicated, information in this prospectus assumes:

- an initial public offering price of $ per share;
- no exercise of the underwriters' over-allotment option;
- upon the closing of this offering, the redesignation of our Class A common stock as "common stock" and the conversion of all other outstanding capital stock into shares of our common stock;
- the issuance of shares of our common stock in connection with our acquisition of the remainder of Rebis; and
- outstanding warrants to purchase 2,535,184 shares of our common stock which will be automatically exercised upon the closing of this offering. These warrants have a net issuance mechanism which, if exercised on March 31, 2002, would result in a net issuance of 158,116 shares of common stock.

Summary Consolidated Financial Data

(in thousands, except share and per share data)

The following tables have been derived from, and summarize, our audited consolidated financial statements and should be read together with *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and our Consolidated Financial Statements and other information contained in this prospectus.

	Year Ended December 31,				
	1997	1998	1999	2000	2001
Consolidated Statement of Operations Data(1):					
Revenues:					
Subscriptions	$ 53,374	$ 78,177	$ 90,915	$ 96,830	$ 123,642
Perpetual licenses	94,224	80,350	78,450	70,251	61,463
Services	9,173	14,104	12,854	13,143	17,505
Total revenues	156,771	172,631	182,219	180,224	202,610
Cost of revenues:					
Cost of subscriptions	22,801	35,952	31,366	29,682	25,476
Cost of perpetual licenses	15,993	20,858	19,403	17,718	13,095
Cost of services	10,990	15,267	12,636	12,207	16,110
Total cost of revenues	49,784	72,077	63,405	59,607	54,681
Gross profit	106,987	100,554	118,814	120,617	147,929
Operating expenses:					
Research and development	25,222	32,091	34,008	35,288	40,526
Selling and marketing	61,500	70,412	70,307	69,431	74,686
General and administrative(2)	13,001	13,535	12,778	12,056	16,259
Amortization of acquired intangibles	4,053	2,549	2,475	2,682	6,487
Total operating expenses(3)	103,776	118,587	119,568	119,457	137,958
Income (loss) from operations	3,211	(18,033)	(754)	1,160	9,971
Interest expense, net	(1,282)	(2,834)	(1,870)	(1,461)	(3,462)
Other income (expense), net	(245)	(860)	695	—	188
Arbitration settlements(4)	1,596	—	13,563	—	—
Income (loss) before income taxes	3,280	(21,727)	11,634	(301)	6,697
Provision (benefit) for income taxes	1,082	(7,431)	4,227	859	2,612
Net income (loss)	2,198	(14,296)	7,407	(1,160)	4,085
Deemed dividends on redeemable Series A preferred stock, Senior Class C common stock and Class D common stock(5)	—	696	2,396	2,396	7,014
Cash dividends on redeemable Senior Class C common stock(5)	—	—	—	—	2,315
Net income (loss) applicable to common stockholders	$ 2,198	$ (14,992)	$ 5,011	$ (3,556)	$ (5,244)
Net income (loss) per share(6):					
Basic and Diluted	$ 0.10	$ (0.66)	$ 0.22	$ (0.15)	$ (0.23)
Shares used in computing net income (loss) per share(6):					
Basic	21,657,500	22,862,957	22,658,837	22,981,646	23,161,495
Diluted	21,888,435	22,862,957	22,853,796	22,981,646	23,161,495

(1) Reflects the following acquisitions: (a) on December 26, 2000, we purchased the civil engineering, plot services and raster-conversion software product lines from Intergraph Corporation and (b) on September 18, 2001, we acquired Geopak Corporation. The operating results of these entities have been included in the financial information presented from the respective dates of the acquisitions.

(2) Includes non-cash based compensation charges of $674 for the year ended December 31, 2001 and $1,032 for the year ended December 31, 1999 relating to the extension of the terms of certain employee stock options.

(3) Includes incentive compensation for the five Bentley brothers named in the Summary Compensation Table. See "*Management — Executive Compensation — Summary Compensation Table*." The annual aggregate amounts paid under this arrangement were $2,460, $675, $1,596, $1,783 and $4,293 for each of the five years ended December 31, 2001. This incentive arrangement will be replaced following this offering with the employment agreements described in "*Management — Employment Agreements*."

(4) Represents net gain on settlements of arbitration. See Note 4 to our Consolidated Financial Statements.

(5) Reflects cash dividends paid of $1,517 and accrued dividends of $798 on the Senior Class C common stock and deemed dividend for accretion to redemption value on Series A preferred stock, Senior Class C common stock and Class D common stock. Upon the closing of this offering, the Series A preferred stock, Senior Class C common stock and Class D common stock will be automatically converted into common stock and accordingly no deemed dividends will be reflected on the consolidated statements of operations thereafter.

(6) See Note 1 to our Consolidated Financial Statements.

The following table provides consolidated balance sheet data:

- on an actual basis;
- on a pro forma basis to give effect, upon the closing of this offering, to the redesignation of our Class A common stock as "common stock," the conversion of all other outstanding capital stock into our common stock and the issuance of shares of our common stock upon the automatic exercise, on a net issuance basis as of March 31, 2002, of certain warrants held by certain of our executive officers and others, as if each had occurred on December 31, 2001; and
- on a pro forma as adjusted basis to give further effect to the issuance of shares of our common stock for the proposed acquisition of the remainder of Rebis, our sale of shares of our common stock at an assumed initial public offering price of $ per share and the application of the net proceeds as described under *"Use of Proceeds,"* including the payment of $ million in cash to fund a portion of the proposed acquisition of the remainder of Rebis, as if each had occurred on December 31, 2001.

	December 31, 2001		
	Actual	Pro Forma	Pro Forma As Adjusted
		(unaudited)	(unaudited)
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 12,994		
Total current assets	87,747		
Total assets	161,738		
Current portion of deferred subscriptions revenues	56,485		
Short-term borrowings and current maturities of long-term debt	10,131		
Total current liabilities	96,893		
Long-term debt	14,386		
Redeemable convertible securities	41,093		
Total stockholders' equity	274		

RISK FACTORS

Before you invest in our common stock, you should be aware of various risks, including those described below. You should consider carefully these risk factors, together with all of the other information included in this prospectus, before you decide to purchase shares of our common stock.

Risks Related to Our Business and Industry

Our quarterly revenues fluctuate in ways that could adversely impact our operating results and our stock price.

Our revenues are difficult to predict and fluctuate substantially from quarter to quarter. Our actual revenues in a quarter could fall below expectations, which could lead to a decline in our stock price. Our quarterly revenues may fluctuate and may be difficult to forecast for a variety of reasons, including the following:

- a higher concentration of sales in the fourth quarter as a result of information technology spending patterns;
- postponement or cancellation of orders for new perpetual licenses or subscriptions due to changes in general economic conditions or in strategic priorities, project objectives, budget or personnel of our users;
- variability in user evaluations and the duration of internal approval and expenditure authorizations;
- changes in the pricing of our products and services or those of our competitors;
- variability in the mix of our revenues from subscriptions, perpetual licenses and services; and
- unpredictability in users' purchasing decisions due to the number, timing and significance of software product enhancements and new software product announcements by us and our competitors.

We cannot ensure that our revenues will grow or that we will maintain profitability.

We suffered net losses in 2000 and 1998. Growth in our revenues is dependent upon increased levels of spending on information technology by our existing and new users, especially on our discipline-specific applications and collaboration servers, and on overall economic growth. Competition in the marketplace may require us to increase our operating expenses in the future in order to:

- develop our direct sales force and increase our sales and marketing efforts;
- broaden our user support and other services offerings; and
- expand our administrative resources.

We have also experienced fluctuation in operating results in interim periods in certain geographic regions due to seasonality or regional economic conditions. To the extent that increases in our expenses precede or are not followed by increased revenues, our profitability will suffer. Our revenues must continue to grow and we must manage our expenses appropriately in order for us to maintain our profitability on a quarterly and annual basis.

Our operating expenses are based in part on our expectations for future revenues and are relatively fixed in the short term. Accordingly, any shortfall in our revenues could have an immediate and significant adverse effect on our operating results and stock price. You should not rely on our past results to predict our future performance.

An erosion of MicroStation's market acceptance would have an adverse impact on our operating results because our MicroStation platform provides the foundation for the majority of our revenues.

We derive revenues from our MicroStation platform, discipline-specific applications that run on MicroStation and collaboration servers that are interoperable with our MicroStation platform. In 2001, we derived over half of our revenues from MicroStation perpetual licenses and the Bentley SELECT subscriptions covering MicroStation. We expect that current and future versions of MicroStation and our discipline-specific applications will continue to account for a large portion of our revenues in the foreseeable future. Our future financial performance will depend on the development and future commercial acceptance of our products and on the successful development, introduction and commercial acceptance of future products and upgrades. If our products or any future upgrades do not gain commercial acceptance, or if significant defects are found, demand for our products will decline, resulting in a significant reduction in our revenues.

MicroStation V8 reads and writes files in its own DGN format, as well as files in the DWG format developed by one of our competitors and which is used by programs and applications written by several of our competitors. Should the DWG file format be revised in such a way that MicroStation is unable to read and write to such files, demand for MicroStation may erode.

Our growth depends on our ability to develop or acquire discipline-specific applications and

collaboration servers.

The market for our MicroStation platform is mature. We cannot assure you that MicroStation will achieve greater penetration in our target industries. As a result, our growth will depend on our ability to develop or acquire discipline-specific applications and collaboration servers and successfully market these additional products in our targeted industries.

We recently changed our distribution model, and we are unsure whether our new model will succeed.

In 2001, we initiated a strategy to change our distribution model for perpetual licenses from a predominantly resale model to one that emphasizes direct sales. Formerly, we sold perpetual licenses to our channel partners for resale to end users, with the channel partners retaining the difference between the prices they paid to us and the prices they charged to end users. Under our new model, we continue to rely on many of the same channel partners to help us identify and consummate sales to end users and pay a commission on perpetual licenses to these channel partners. Because we have only recently introduced this new distribution model in North America and have not yet implemented it globally, we are unsure whether or to what extent it will succeed. In addition, we have incurred and will continue to incur costs associated with our shift to this new distribution model. If our new distribution model is unsuccessful, we may lose channel partners, users and, consequently, sales and subscriptions.

We have recently announced another change to our distribution strategy, to take effect beginning in 2003, whereby certain users will be defined as corporate accounts and will be serviced solely by our direct sales force.

If our channel partners do not agree with any of the changes described above and decide to reduce or eliminate sales of our products or if we fail to identify, hire and retain effective members of our direct sales force, our operating results may be adversely impacted.

We may not be able to complete the acquisition of the remainder of Rebis.

We expect that the acquisition of the remainder of Rebis will occur simultaneously with or soon after the closing of this offering. The acquisition is subject to certain closing conditions, including that our company shall not have suffered a material adverse effect. Accordingly, there can be no assurance that this pending acquisition will occur. We estimate the total remaining consideration to be $ million, of which 70% will be paid in cash and the remaining 30% will be paid in shares of our common stock, valued at the initial public offering price. If we are unable to close this acquisition, the net proceeds from this

offering that would have been used for the Rebis acquisition will be used to fund other possible acquisitions and for general corporate purposes.

We may be unable to identify or complete suitable acquisitions and any acquisitions we do complete may disrupt our business operations, result in future impairment charges or be dilutive to our stockholders.

As part of our business strategy, we intend to pursue strategic acquisitions. We may be unable to identify suitable acquisitions. If we identify suitable candidates, we cannot assure you that we will be able to finance those acquisitions on commercially acceptable terms. If we acquire a company, we may have difficulty integrating its products, services, technologies or personnel into our operations or its key personnel may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and workforce, increase our expenses and adversely affect our operating results. We may incur significant debt or issue equity securities to pay for future acquisitions. The issuance of equity securities may be dilutive to our stockholders.

Our business acquisitions typically result in goodwill and other intangible assets which affects the amount of future period amortization expense. The determination of the value of such intangible assets requires management to make estimates and assumptions that affect our consolidated financial statements. The value of intangible assets may be impaired in the future, resulting in changes to our operating results that could be material.

Because our users are concentrated in five vertical industries, our operating results may be adversely affected by changes in one or more of these industries.

As a result of our focus on the transportation, manufacturing plants, building, utilities and government sectors, our financial results depend, in significant part, upon economic conditions in these sectors. Demand for our solutions may be reduced by a decline in overall demand for computer software and services or in demand for computer software and services in the vertical industries that we serve. An economic downturn or adverse change in the regulatory environment or business prospects for one or more of the industries we serve, or a change in the levels of government spending, may cause our users to reduce information technology spending. Accordingly, we cannot assure you that we will be able to increase or maintain our revenues from users in the vertical industries on which we currently focus our resources.

Because the majority of our revenues is derived from providing Bentley SELECT to subscribers for a subscription fee, the cancellation of these subscriptions would adversely impact our business.

For the year ended December 31, 2001, we generated more than 60% of our total revenues through our subscriptions. We have expended significant financial and personnel resources on the assumption that our subscribers will not terminate these subscriptions. However, if users terminate their subscriptions due to market conditions, changing perceptions of the quality of our products or services or other factors, our revenues will significantly decrease and our business will suffer.

We may be unable to retain or attract users if we do not develop new products or enhance our current products in response to technological changes and market demand.

Rapid technological change as well as changes in user requirements are characteristic of the software industry. New platforms and technologies are expected to be developed in the industries we serve. We are devoting significant resources to the development of new technologies, requiring a considerable investment of technical and financial resources. These investments may not generate sufficient revenues to offset their costs or generate expected returns. We will not compete effectively if we fail to:

- maintain and enhance our technological capabilities to correspond to emerging environments and standards;
- develop and market products and services that meet changing user needs; or
- anticipate or respond to technological changes on a cost-effective and timely basis.

In addition, a decline in the demand for information technology among our current and prospective users will result in decreased revenues or slower growth because our sales depend, in part, on our users' demand for new or additional information technology systems and services. We must develop additional discipline-specific applications that satisfy the changing, specialized requirements of current and prospective users in our target industries. To the extent we determine that new technologies are required to remain competitive, the development, acquisition and implementation of such technologies may require us to make significant investments. We may not be able to fund these investments and these investments in new technologies may not result in commercially viable products, which would result in a loss of revenues and adversely affect our business and our operating results.

Our international operations expose us to risks related to government regulation, intellectual property rights, collectibility of payments, exchange rate fluctuations and other risks, any of which could adversely impact our operating results.

We anticipate that international operations will continue to account for the same or an increasing portion of our revenues. Our revenues from sales outside North America constituted approximately 47% and 48% of our total revenues in 2000 and 2001, respectively. Risks inherent in our international operations include the following:

- unexpected changes in or differing regulatory practices and tariffs and trade barriers;
- difficulties in staffing and managing foreign operations;
- longer collection cycles for accounts receivable;
- increased cost and development time required to modify and translate our products for local markets;
- failure to identify suitable channel partners, systems integrators or other third-party vendors;
- differing foreign technical standards;
- regulatory, social, political, labor or economic conditions in a specific country or region;
- operating costs in many countries that are higher than in the United States;
- laws, policies and other regulatory requirements affecting trade and investment including loss or modification of exemptions for taxes and tariffs and import and export license requirements;
- exposure to different legal standards or risks;
- greater difficulty in protecting our intellectual property rights; and
- the impact of fluctuating exchange rates between the U.S. dollar and foreign currencies in markets where we do business.

We face competition from a number of software companies that have advantages due to their larger user base, greater name recognition, long operating and product development histories, greater international presence and substantially greater financial, technical and marketing resources.

The market for our software solutions has been and continues to be intensely competitive. Our competitors vary in size and in the scope of the products and services they offer. They include well established companies that have larger installed user bases. We encounter competition from a number of sources, including:

- technology companies providing content creation, management and publishing in transportation, manufacturing plants, building, utilities and government;
- vendors of factory planning solutions, including mechanical computer aided design;
- vendors of product lifecycle management solutions;

- generalized content management, document management and publishing vendors;
- horizontal, collaborative enterprise software vendors;
- systems integrators, who may advocate for alternative approaches or competitive solutions; and
- “in house” information technology departments or local technology providers that may develop technology that provides some or all of the functionality of our products and services.

We expect to experience additional competition from companies that may consolidate complementary products and technologies or existing vendors who may enter any of the vertical industries we serve. Some competitors have become more aggressive with their pricing, payment terms or issuance of contractual implementation terms or guarantees. We may be unable to continue to compete successfully with new and existing competitors without lowering prices or offering other favorable terms. We expect the competitive environment to persist and intensify, which could negatively impact our operating results and market share.

If we fail to adequately protect our intellectual property rights, if we are subject to intellectual property infringement claims of third parties or if we are unable to continue to license important third-party software, our business will be harmed.

We rely on a combination of contract, patent, copyright, trademark and trade secret laws and other measures to protect our intellectual property rights. The protective measures we have taken may not deter misappropriation of our intellectual property and proprietary information. A third party could obtain our proprietary information or may independently develop technologies that are less expensive or more effective than our technology. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. In addition, the laws of some countries in which our software products are, or may be, licensed do not protect our software products and intellectual property rights to the same extent as the laws of the United States. Enforcing our rights could be costly.

We may be subject to adverse claims or litigation alleging infringement by us of the intellectual property rights of others. As the number and functionality of our products increases, we become increasingly subject to the risk of infringement claims. If infringement claims are brought against us, our defense against these claims could distract management and we may have to expend significant funds and resources to defend or settle such claims. If we are found to infringe the intellectual property rights of others, we could be forced to pay significant license fees, royalties or damages for infringement.

As part of our standard license agreements, we agree to indemnify our users for some types of infringement claims under the laws of the United States and some foreign jurisdictions. If a claim against us were successful, we may be required to incur significant expense and pay substantial damages as we are unable to insure against this risk. Even if we were to prevail, the accompanying publicity could adversely impact the demand for our software. Provisions attempting to limit our liability in our standard agreements may be invalidated by unfavorable judicial decisions or by federal, state, local or foreign laws or ordinances.

We integrate third-party software into certain of our products, including MicroStation. We may not be able to renew our third-party licenses or develop or purchase alternative technology. Even if licenses for third-party software are available to us, they may not be available on commercially viable terms. If we cannot maintain licenses for important third-party software or develop or license similar technology on a timely or commercially viable basis, our business, financial condition and operating results could be harmed.

If we are unable to retain Greg Bentley, Keith Bentley, Barry Bentley and other key personnel, our business will be adversely affected.

We are highly dependent on certain members of our management, including our Chief Executive Officer, Greg Bentley, and our Co-Chief Technology Officers, Keith Bentley and Barry Bentley. Greg,

Keith and Barry Bentley will be bound by employment agreements only for a limited duration. If any of our key personnel become unable or unwilling to continue in their present positions, our business and financial results could be adversely affected.

If we are unable to attract, train and retain qualified personnel, specifically software engineers, sales and marketing personnel, professional services personnel and managerial personnel, we will be unable to develop, sell and service new products and increase our revenues.

If we are unable to attract, train and retain highly-skilled technical, sales and marketing, professional services and managerial personnel, we may be unable to compete effectively. Competition for personnel in the software industry is intense and, at times, we have had difficulty hiring qualified candidates within desired geographic locations, including near our headquarters in Exton, Pennsylvania, or with certain industry-specific expertise. Uncertainty created by turnover of key employees or the inability to attract, train or retain enough qualified personnel to support our growth could adversely affect our business and operating results.

The New York Stock Exchange could delist us if we are unable to appoint one additional director who meets the NYSE's independence requirements within 12 months following this offering.

The rules of the New York Stock Exchange require that we have an audit committee composed of three independent directors. A director is considered "independent" under these rules if, among other things, he or she is not one of our employees and has no other relationship that may interfere with the exercise of the director's independence from management and our company. Two of our directors currently meet these requirements. If we are unable to appoint a third director within 12 months following this offering, our listing on the New York Stock Exchange could be jeopardized. Delisting could affect your ability to sell your shares and cause a decline in the market price of your shares.

Terrorist attacks or threats or acts of war may negatively impact our business, financial condition and operating results.

Our business is affected by general economic conditions and fluctuations in consumer confidence and spending, as well as government and industry spending, which can decline as a result of numerous factors outside of our control, such as terrorist attacks and acts of war. Recent terrorist attacks in the United States, as well as events occurring in response to or in connection with them, including future terrorist attacks against United States targets and targets in other countries in which we do business, rumors or threats of war, actual conflicts involving the United States, its allies or other countries in which we do business, or military or trade disruptions impacting our users, may adversely impact our operations. As a result, there could be decreased sales of our products and services, increased costs from added security measures and extensions of time for payment of accounts receivable from our users. Any or a combination of these occurrences could have a material adverse effect on our business, financial condition and operating results.

Risks Related to This Offering

We have allocated approximately % of the net proceeds of this offering to fund a portion of the Rebis acquisition and repay certain indebtedness and management may spend or invest the remaining net proceeds of this offering in ways with which you may not agree.

We intend to use the net proceeds of this offering to fund a portion of our acquisition of Rebis, repay certain indebtedness and for general corporate purposes, including capital expenditures and possible acquisitions and investments. We have broad discretion to determine the allocation of our net proceeds from this offering that will be used for general corporate purposes. You will not have an opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use these net proceeds. Our management's failure to use these funds effectively could have a material adverse effect on our financial position and operating results.

Our use of Arthur Andersen as our independent auditors may adversely affect this offering and our business.

On March 14, 2002, Arthur Andersen LLP was indicted on federal obstruction of justice charges arising from the government's investigation of Enron Corporation. Andersen has publicly stated that it intends to contest vigorously the indictment. This prospectus includes our consolidated financial statements, financial statements of Geopak Corporation and consolidated financial statements of Rebis, each audited by Andersen. The Securities and Exchange Commission has said that it will continue accepting financial statements audited by Andersen and interim financial statements reviewed by it, so long as Andersen is able to make certain representations to its clients. Our access to the capital markets and our ability to make timely SEC filings could be impaired if the SEC ceases accepting financial statements audited by Andersen, if Andersen becomes unable to make necessary representations to us or if for any reason, including the loss of key members of our audit team from Andersen, Andersen is unable to perform required audit services for us in a timely manner. In such a case, we would promptly seek to engage new independent auditors, but such actions could disrupt our operations and affect the price and liquidity of our common stock.

A large number of shares may be sold in the market following this offering, which may cause our common stock price to significantly decline.

Sales of a substantial number of shares of our common stock in the public market by our stockholders after this offering, or the perception that these sales are likely to occur, could cause the market price of our common stock to decline and could impair our ability to raise capital through the sale of additional equity securities. Based on shares outstanding as of March 31, 2002, upon completion of this offering we will have outstanding million shares of common stock, assuming that the underwriters do not exercise their over-allotment option. Of these million shares, million — including the shares sold in this offering — will be freely tradable, without restriction, in the public market immediately after the offering is completed. After the lockup agreements pertaining to this offering expire 180 days from the date of this prospectus, an additional million shares will be eligible for sale in the public market. In addition, if all outstanding and vested options and warrants were fully exercised, shares would be available for sale 90 days from the date of this prospectus and an additional shares would be available 180 days from the date of this prospectus.

An active public market for our common stock may not develop, which would impede your ability to sell your shares and could cause our common stock price to decline.

Before this offering, no public market existed for our common stock. If you purchase shares of common stock in this offering, you will pay a per share price that was not established in a public trading market. Rather, you will pay the per share price that we negotiated with the representatives of the underwriters. An active public market for our common stock may not develop or be sustained after this offering, which would affect your ability to sell your shares and would cause a decline in the market price of your shares. The market price of your shares may fall below the initial public offering price.

Our executive officers and directors and their affiliates will own % of our outstanding common stock after this offering which may significantly lessen the impact of your voting rights.

We anticipate that our executive officers and directors, together with their affiliates, will beneficially own an aggregate of approximately % of our outstanding common stock following the completion of this offering. These stockholders may be able to exercise substantial influence over our actions that require stockholder approval, including electing directors and approving significant corporate transactions. In addition, three of the Bentley brothers, Greg, Keith and Barry Bentley, currently represent a majority of the board of directors and will continue to represent a majority immediately following this offering. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company, which could cause our stock price to decline. We cannot assure you that these stockholders will vote their shares in a manner that is consistent with your preferences.

Anti-takeover provisions in our certificate of incorporation and by-laws could discourage or prevent an acquisition of our company and could affect the price of our common stock.

Provisions of the amended and restated certificate of incorporation and amended and restated by-laws that we intend to adopt before the closing of this offering may inhibit changes of control that are not approved by our board of directors. These include a classified board of directors with staggered, three-year terms, board ability to designate and issue our authorized but undesignated preferred stock, a prohibition on stockholder actions by written consent, a prohibition on stockholder ability to call special meetings and advance notice for nominations of directors and stockholders' proposals. In addition, as a Delaware corporation, we will be subject to Section 203 of the Delaware General Corporation Law which, in general, prevents an interested stockholder, defined generally as a person owning 15% or more of the corporation's outstanding voting stock, from engaging in a business combination, as defined, for three years following the date that person became an interested stockholder unless specified conditions are satisfied.

Our certificate of incorporation and by-law provisions and Delaware law could diminish the opportunities for a stockholder to participate in tender offers, including tender offers at prices above the then current fair market value of our common stock, that could result from takeover attempts. In addition, our certificate of incorporation will allow our board of directors to issue, without further stockholder approval, preferred stock that could have the effect of delaying, deferring or preventing a change in control. The issuance of preferred stock also could adversely affect the voting power of the holders of our common stock, including the loss of voting control to others. The provisions of our certificate of incorporation and by-laws, as well as provisions of Delaware law, may have the effect of discouraging or preventing an acquisition of our business. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock.

The stockholder rights plan we intend to adopt will also have anti-takeover effects.

The stockholder rights plan that we expect to adopt is designed to protect our stockholders in the event of unsolicited offers to acquire us and other coercive takeover tactics that, in the opinion of our board of directors, could impair its ability to adequately represent stockholder interests. The provisions of the stockholder rights plan may render an unsolicited takeover more difficult or less likely to occur or might prevent such a takeover, even though such a takeover may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price and may be favored by a majority of our stockholders.

As a new investor, you will experience immediate dilution of % in the book value of your common stock and will experience additional dilution as outstanding options and warrants are exercised.

The per share net tangible book value of common stock you purchase in this offering will be less than the initial public offering per share price you paid for such common stock. Accordingly, if you purchase common stock in this offering at an initial public offering price of $ per share, you will incur immediate and substantial dilution of $ per share, which equals the difference between your purchase price per share and the net tangible book value per share. Prior investors paid lower per share prices than the initial public offering price. In addition, we have issued a significant number of options and warrants to purchase common stock at prices significantly below the initial public offering price. As of March 31, 2002 and giving effect to this offering, we had outstanding options to purchase 3,957,946 shares of common stock at a weighted average exercise price of $5.75 per share and outstanding warrants to purchase up to 988,290 shares of common stock at an exercise price of $10.17 per share. To the extent these outstanding options and warrants are exercised, there will be further dilution to our investors.

In addition, the board of directors will adopt two new stock option plans that will become effective on or before the closing of this offering. Issuance of common stock upon the exercise of options issued under these new plans will have the effect of further diluting our investors.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws that relate to future events or our future financial performance and that are based on our current expectations, estimates and projections. In some cases, you can identify forward-looking statements by terminology, such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential” or “continue” or the negative of such terms or other comparable terminology, although not all forward-looking statements contain such terms. In addition, these forward-looking statements include, but are not limited to, statements regarding:

- implementing our business strategy;
- impact of changes in our distribution model;
- marketing and commercializing our products and services under development;
- plans for future products and services and for enhancements of existing products and services;
- our intellectual property;
- our estimates of future revenues and profitability;
- our expectations regarding future expenses, including research and development, sales and marketing and general and administrative expenses;
- our use of the net proceeds from this offering;
- our estimates regarding our capital requirements and our needs for additional financing;
- attracting and retaining users and employees;
- rapid technological changes in our industry and relevant markets;
- sources of revenues and anticipated revenues;
- our sensitivity to changes in foreign exchange rates and interest rates;
- impact of changes in accounting standards;
- plans for future acquisitions and for the integration of recent acquisitions; and
- competition in our market.

These statements are only predictions and involve risks, uncertainties and assumptions that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are not required to and do not intend to update any of the forward-looking statements after the date of this prospectus or to conform these statements to actual results. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. Actual results, levels of activity, performance, achievements and events may vary significantly from those implied by the forward-looking statements. A description of risks that could cause our results to vary appears under *“Risk Factors”* and elsewhere in this prospectus.

In this prospectus, we refer to information regarding our potential markets and other industry data. We believe that we have obtained this information from reliable sources that customarily are relied upon by companies in our industry, but we have not independently verified any of this information.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ million from the sale of shares of our common stock in this offering. If the underwriters exercise their over-allotment option in full, we estimate that we will receive total net proceeds of approximately $ million. These net proceeds are based upon an assumed initial public offering price of $ per share and are calculated after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of shares by the selling stockholder.

We intend to use:

- an estimated $ million of the net proceeds to fund a portion of the proposed acquisition of the remainder of Rebis, a leading developer of discipline-specific applications for the manufacturing plants industry, in a transaction more fully described in *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Acquisitions — Rebis"*;

- approximately $15.2 million of the net proceeds to repay a promissory note issued in connection with our acquisition of certain product lines from Intergraph Corporation on December 26, 2000. The note bears interest at an annual rate of 9.5% and has a maturity date of December 1, 2003; and

- the remaining net proceeds from this offering for general corporate purposes, including working capital, capital expenditures and possible acquisitions. We currently have no agreements with respect to material acquisitions other than the Rebis acquisition.

The amount and timing of our uses of the net proceeds from this offering may vary significantly depending upon a number of factors, including our revenue growth, asset growth, cash flow and acquisition activities. Pending our use of the net proceeds of this offering, we intend to invest the net proceeds from this offering in interest-bearing, investment-grade securities.

DIVIDEND POLICY

We have not paid any cash dividends on our Class A common stock for the last five years and have never paid cash dividends on our Class B common stock or Class D common stock. We pay quarterly dividends on our Senior Class C common stock. In 2001, we paid approximately $1.5 million in dividends on the Senior Class C common stock. In addition, we had accrued but unpaid dividends as of December 31, 2001 of approximately $0.8 million, which have since been paid.

Upon the closing of this offering, our Class A common stock will be redesignated "common stock" and our outstanding shares of Class B common stock, Senior Class C common stock, Class D common stock and Series A preferred stock will be converted into shares of our common stock.

We do not anticipate paying cash dividends on our common stock after this offering. Our policy is to retain cash for our operations and the expansion of our business. Our senior secured credit facility contains covenants limiting our ability to pay cash dividends under certain circumstances.

CAPITALIZATION

The following table summarizes our capitalization as of December 31, 2001:

- on an actual basis;
- on a pro forma basis to give effect, upon the closing of this offering, to the redesignation of our Class A common stock as "common stock," the conversion of all other outstanding capital stock into our common stock and the issuance of shares of our common stock upon the automatic exercise, on a net issuance basis as of March 31, 2002, of certain warrants held by certain of our executive officers and others, as if each had occurred on December 31, 2001; and
- on a pro forma as adjusted basis to give further effect to the issuance of shares of our common stock for the proposed acquisition of the remainder of Rebis, our sale of shares of our common stock at an assumed initial public offering price of $ per share and the application of the net proceeds as described under *"Use of Proceeds,"* including the payment of $ million in cash to fund a portion of the proposed acquisition of the remainder of Rebis, as if each had occurred on December 31, 2001.

You should read this table together with *"Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations"* and our Consolidated Financial Statements and related notes included elsewhere in this prospectus.

	December 31, 2001		
	Actual	Pro Forma	Pro Forma As Adjusted
		(in thousands, except share data) (unaudited)	(unaudited)
Short-term borrowings and current maturities of long-term debt	$ 10,131	$	$
Long-term debt	14,386		
Total short-term borrowings and long-term debt	24,517		
Redeemable convertible securities:			
Redeemable convertible Series A preferred stock	24,753		
Redeemable convertible Senior Class C common stock	8,690		
Redeemable convertible Class D common stock	5,910		
Redeemable common stock warrants	1,740		
Total redeemable convertible securities	41,093		
Stockholders' equity:			
Preferred stock, par value $0.01, 1,552,450 shares authorized, issued and outstanding, actual (see Redeemable convertible Series A preferred stock above); 10,000,000 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—		
Class A and Class B common stock, par value $0.01, 90,000,000 shares authorized, 24,959,724 shares issued and 22,927,974 shares outstanding, actual; Common Stock, par value $0.01, 100,000,000 shares authorized, pro forma and pro forma as adjusted; shares issued and shares outstanding, pro forma; shares issued and shares outstanding, pro forma as adjusted	250		
Additional paid-in capital	18,250		
Notes receivable from stockholders	(6,241)		
Other comprehensive loss	(7,632)		
Retained earnings	6,254		
Treasury stock — 2,031,750 shares at cost	(10,607)		
Total stockholders' equity	274		
Total capitalization	$ 65,884	$	$

The table excludes, as of December 31, 2001:

- 3,960,146 shares of common stock issuable upon exercise of options outstanding at a weighted average exercise price of $5.75 per share on an actual basis and shares of common stock issuable upon exercise of options outstanding to be assumed in connection with the proposed acquisition of the remainder of Rebis at a weighted average exercise price of $ per share on a pro forma as adjusted basis;

- 3,523,474 shares of common stock issuable upon exercise of warrants outstanding on an actual basis and 988,290 shares of common stock issuable upon exercise of warrants outstanding at an exercise price of $10.17 per share on a pro forma and pro forma as adjusted basis; and

- 2,100,000 additional shares of common stock that will be available for future issuance under our stock option plans.

DILUTION

Pro Forma Net Tangible Book Value

The pro forma net tangible book value of our common stock was approximately $ million, or approximately $ per share, as of December 31, 2001. Pro forma net tangible book value per share represents the amount of our total tangible assets less total liabilities divided by the number of shares of common stock outstanding. We calculated pro forma net tangible book value assuming each of the following occurred on December 31, 2001:

- the redesignation of our Class A common stock as "common stock" and the conversion of all other outstanding capital stock into our common stock;
- the sale of the common stock offered hereby;
- the issuance of shares of our common stock in connection with the proposed acquisition of the remainder of Rebis and the associated intangibles acquired in connection with this acquisition; and
- the issuance, upon closing of this offering, of shares of our common stock upon the automatic exercise, on a net issuance basis as of March 31, 2002, of certain warrants held by certain of our executive officers and others.

Dilution After This Offering

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the net tangible book value per share of our common stock immediately after this offering.

Assuming our sale of shares of common stock offered by this prospectus at an assumed initial public offering price of $ per share and after deducting the estimated underwriting discounts and commissions and estimated offering expenses, our pro forma net tangible book value as of December 31, 2001 would have been approximately $ million or $ per share. This represents an immediate increase in net tangible book value of $ per share to the existing stockholders and an immediate dilution of $ per share to new investors purchasing common stock in this offering.

The table below illustrates this dilution:

Initial public offering price per share		$
Pro forma net tangible book value per share	$	
Increase per share attributable to new investors		
Pro forma net tangible book value per share after offering		
Pro forma dilution per share to new investors		$

Differences Between New and Existing Stockholders in Number of Shares and Amount Paid

The table below summarizes, on a pro forma basis, as of December 31, 2001, the differences between the number of shares of common stock purchased from us, the total consideration paid and the average price per share paid by existing stockholders and by the new investors purchasing shares in this offering. We assumed an initial public offering price of $ per share and we have not deducted the estimated underwriting discounts and commissions and estimated offering expenses in our calculations.

	Shares Purchased		Total Consideration		
	Number	Percent	Amount	Percent	Average Price Per Share
Existing stockholders		%	$	%	$
New investors					$
Total		100.0%		$100.0%	

If the underwriters exercise the over-allotment option in full:

- the number of shares of common stock held by existing stockholders will decrease to approximately % of the total number of shares of our outstanding common stock; and
- the number of shares held by new investors will increase to , or approximately % of the total number of shares of our common stock outstanding after completion of this offering.

The foregoing excludes as of December 31, 2001:

- 3,960,146 shares of common stock issuable upon exercise of options outstanding at a weighted average exercise price of $5.75 per share on an actual basis and shares of common stock issuable upon exercise of options outstanding to be assumed in connection with the proposed acquisition of the remainder of Rebis, at a weighted average exercise price of $ per share, on a pro forma as adjusted basis;
- 988,290 shares of common stock issuable upon exercise of warrants outstanding at an exercise price of $10.17 per share, on a pro forma basis; and
- 2,100,000 additional shares of common stock that will be available for future issuance under our stock option plans.

The exercise of options or warrants outstanding that have an exercise price less than the initial public offering price will increase dilution to new investors.

SELECTED CONSOLIDATED FINANCIAL DATA

(in thousands, except share and per share data)

The following tables have been derived from, and summarize, our audited consolidated financial statements and should be read together with *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and our Consolidated Financial Statements and other information contained in this prospectus.

	Year Ended December 31,				
	1997	1998	1999	2000	2001
Consolidated Statement of Operations Data(1):					
Revenues:					
Subscriptions	$ 53,374	$ 78,177	$ 90,915	$ 96,830	$ 123,642
Perpetual licenses	94,224	80,350	78,450	70,251	61,463
Services	9,173	14,104	12,854	13,143	17,505
Total revenues	156,771	172,631	182,219	180,224	202,610
Cost of revenues:					
Cost of subscriptions	22,801	35,952	31,366	29,682	25,476
Cost of perpetual licenses	15,993	20,858	19,403	17,718	13,095
Cost of services	10,990	15,267	12,636	12,207	16,110
Total cost of revenues	49,784	72,077	63,405	59,607	54,681
Gross profit	106,987	100,554	118,814	120,617	147,929
Operating expenses:					
Research and development	25,222	32,091	34,008	35,288	40,526
Selling and marketing	61,500	70,412	70,307	69,431	74,686
General and administrative(2)	13,001	13,535	12,778	12,056	16,259
Amortization of acquired intangibles	4,053	2,549	2,475	2,682	6,487
Total operating expenses(3)	103,776	118,587	119,568	119,457	137,958
Income (loss) from operations	3,211	(18,033)	(754)	1,160	9,971
Interest expense, net	(1,282)	(2,834)	(1,870)	(1,461)	(3,462)
Other income (expense), net	(245)	(860)	695	—	188
Arbitration settlements(4)	1,596	—	13,563	—	—
Income (loss) before income taxes	3,280	(21,727)	11,634	(301)	6,697
Provision (benefit) for income taxes	1,082	(7,431)	4,227	859	2,612
Net income (loss)	2,198	(14,296)	7,407	(1,160)	4,085
Deemed dividends on redeemable Series A preferred stock, Senior Class C common stock and Class D common stock(5)	—	696	2,396	2,396	7,014
Cash dividends on redeemable Senior Class C common stock(5)	—	—	—	—	2,315
Net income (loss) applicable to common stockholders	$ 2,198	$ (14,992)	$ 5,011	$ (3,556)	$ (5,244)
Net income (loss) per share(6):					
Basic and Diluted	$ 0.10	$ (0.66)	$ 0.22	$ (0.15)	$ (0.23)
Shares used in computing net income (loss) per share(6):					
Basic	21,657,500	22,862,957	22,658,837	22,981,646	23,161,495
Diluted	21,888,435	22,862,957	22,853,796	22,981,646	23,161,495

(1) Reflects the following acquisitions: (a) on December 26, 2000, we purchased the civil engineering, plot services and raster-conversion software product lines from Intergraph Corporation and (b) on September 18, 2001, we acquired Geopak Corporation. The operating results of these entities have been included in the financial information presented from the respective dates of the acquisitions.

(2) Includes non-cash based compensation charges of $674 for the year ended December 31, 2001 and $1,032 for the year ended December 31, 1999 relating to the extension of the terms of certain employee stock options.

(3) Includes incentive compensation for the five Bentley brothers named in the Summary Compensation Table. See "*Management — Executive Compensation — Summary Compensation Table*." The annual aggregate amounts paid under this arrangement were $2,460, $675, $1,596, $1,783 and $4,293 for each of the five years ended December 31, 2001. This incentive arrangement will be replaced following this offering with the employment agreements described in *"Management — Employment Agreements."*

(4) Represents net gain on settlements of arbitration. See Note 4 to our Consolidated Financial Statements.

(5) Reflects cash dividends paid of $1,517 and accrued dividends of $798 on the Senior Class C common stock and deemed dividend for the accretion to redemption value on Series A preferred stock, Senior Class C common stock and Class D common stock. Upon completion of this offering, the Series A preferred stock, Senior Class C common stock and Class D common stock will be automatically converted into common stock and accordingly no deemed dividends will be reflected on the consolidated statements of operations thereafter.

(6) See Note 1 to our Consolidated Financial Statements.

The following table provides selected consolidated balance sheet data:

- on an actual basis;
- on a pro forma basis to give effect, upon the closing of this offering, to the redesignation of our Class A common stock as "common stock," the conversion of all other outstanding capital stock into our common stock and the issuance of shares of our common stock upon the automatic exercise, on a net issuance basis as of March 31, 2002, of certain warrants held by certain of our executive officers and others, as if each had occurred on December 31, 2001; and
- on a pro forma as adjusted basis to give further effect to the issuance of shares of our common stock for the proposed acquisition of the remainder of Rebis, our sale of shares of our common stock at an assumed initial public offering price of $ per share and the application of the net proceeds as described under *"Use of Proceeds,"* including the payment of $ million in cash to fund a portion of the proposed acquisition of the remainder of Rebis, as if each had occurred on December 31, 2001.

	December 31,						
	1997	1998	1999	2000	2001	Pro Forma	Pro Forma As Adjusted
				(in thousands)		(unaudited)	(unaudited)
Consolidated Balance Sheet Data:							
Cash and cash equivalents	$ 4,893	$ 6,985	$ 8,440	$ 6,437	$ 12,994		
Total current assets	62,986	93,259	83,878	83,494	87,747		
Total assets	95,950	129,258	113,908	140,470	161,738		
Current portion of deferred subscriptions revenues	18,566	29,161	40,117	42,946	56,485		
Short-term borrowings and current maturities of long-term debt	14,718	24,781	17,021	22,707	10,131		
Total current liabilities	60,754	86,370	78,919	93,406	96,893		
Long-term debt	8,849	13,221	9,650	13,560	14,386		
Redeemable convertible securities	—	14,506	16,902	23,612	41,093		
Total stockholders' equity	25,541	13,515	2,516	3,696	274		

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following should be read with our Consolidated Financial Statements and the Notes to those statements and other financial information appearing elsewhere in this prospectus. The discussion in this prospectus contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. The cautionary statements made in this prospectus should be read as applying to all related forward-looking statements wherever they appear in this prospectus. Our actual results could differ materially from those discussed here. Factors that could cause or contribute to these differences include those discussed in "Risk Factors," as well as those discussed elsewhere in this prospectus.

Overview

We are a global provider of collaborative software solutions that enable our users to create, manage and publish architectural, engineering and construction (AEC) content. Our software solutions enable our users to design, engineer, build and operate large constructed assets such as roadways, bridges, buildings, industrial and power plants and utility networks. We focus on five vertical industries that deploy such assets: transportation, manufacturing plants, building, utilities and government. In addition, we provide professional services for our software solutions, including implementation, integration, customization and training.

Revenues. We generate revenues from subscriptions, perpetual licenses and services. Our subscriptions revenues consist of annual recurring fees that our users pay for Bentley SELECT. Coverage under Bentley SELECT includes the right to use our products on a concurrent license basis and access to maintenance and technical support, product updates, upgrades and enhancements. Subscriptions revenues include Bentley SELECT coverage for separately sold perpetual licenses. Subscriptions revenues also include annual and monthly term licenses under the Bentley SELECT subscription program. We began offering term licenses with the introduction of our Geopak software product lines in 1996. In April 2002, we expanded our subscription program to include annual and monthly term licenses for additional Bentley software solutions and a comprehensive enterprise subscription program for our largest users. We actively market the benefits of our Bentley SELECT subscription program and expect to continue deriving a larger percentage of total revenues from our recurring subscription base in future periods. As a percentage of total revenues, subscriptions revenues were 49.9%, 53.7% and 61.0% in 1999, 2000 and 2001, respectively.

We recognize revenues from subscriptions ratably over the duration of the contract. The duration of the initial Bentley SELECT subscription contract is typically two years and we also offer licenses for monthly or annual terms. These contracts automatically renew for successive terms, unless terminated. Billings in advance of providing these services are recorded as deferred subscriptions revenues. We recognize revenues from perpetual licenses when persuasive evidence of an agreement exists, delivery has occurred, the fee is fixed or determinable, collectibility is considered probable and there are no remaining obligations. Our professional services consist of implementation, integration, customization and training. We recognize revenues for these services as they are performed.

Cost of Revenues. Cost of subscriptions revenues includes our internal salaries and related costs associated with servicing Bentley SELECT subscribers, as well as channel partner compensation for providing sales coverage and support to our Bentley SELECT subscribers. Cost of perpetual licenses includes channel partner compensation, royalties to certain technology providers, amortization of software translation costs, user manuals, the costs of diskettes and packaging materials and shipping and handling costs. Cost of services includes salaries for internal and third party personnel and related overhead costs for providing implementation, integration, customization and training services to our users.

Operating Expenses. Our operating expenses include research and development, selling and marketing and general and administrative expenses. Research and development expenses consist primarily

of salaries and benefits for software development engineers, third party development fees, costs of computer equipment used in software development and facilities costs. Selling expenses consist primarily of salaries and sales commissions paid to our sales employees, travel expenses and facilities costs. Marketing expenses include funding for major events and trade shows, user and channel partner promotional activities, development and distribution of product literature and demonstration materials, publishing activities and advertising. General and administrative expenses consist primarily of employee and other costs associated with information systems, finance, human resources, legal and other administrative operations.

Historically, the incentive compensation of the five Bentley brothers named in the Summary Compensation Table was computed generally based on 20% of operating cash earnings each quarter. See *"Management — Executive Compensation — Summary Compensation Table."* The aggregate annual amounts paid under this arrangement were $2.5 million, $0.7 million, $1.6 million, $1.8 million and $4.3 million for each of the five years ended December 31, 2001. This incentive arrangement will be replaced following this offering with the employment agreements described in *"Management — Employment Agreements."*

We generated approximately 36% of our total revenues in 2001 from Europe, the Middle East and Africa, 9% from Asia/Pacific and 3% from Latin and South America. North America includes Canada and the United States and Latin and South America includes Mexico. Because we generate revenues and incur expenses in currencies other than the U.S. dollar, changes in exchange rates will affect our revenues and operating performance. We believe we have a natural hedge against currency fluctuations because we generate revenues and incur costs and expenses in local currencies. Accordingly, we do not employ other mechanisms to manage our exposure to foreign currency risk.

Impact of Change in Distribution Model

In 2001, we initiated a strategy to change our distribution model for perpetual licenses from a predominantly resale model to one that emphasizes direct sales. Under our new model, we sell and deliver perpetual licenses directly to our users and the channel partner assigned to the account earns a commission. The new distribution model took effect in North America in November 2001 and will be phased in globally during 2002. Under the new model, our recognized revenues from the sale of each perpetual license are expected to be higher, reflecting the end user mark-up. Our cost of revenues will also increase by an approximately equal amount reflecting the commission paid to our channel partners. We anticipate that this change will not materially affect our gross profit, but that our gross margin percentage from perpetual licenses will decline.

In anticipation of this change in our distribution model, we actively sought to reduce the volume of products carried by our channel partners in their inventories. These efforts resulted in a reduction in channel partner inventories from approximately $13.3 million as of December 31, 2000 to approximately $1.5 million as of December 31, 2001. The reduction in channel partner inventories during 2001 represents products purchased by our end users from our channel partners in excess of the $61.5 million in perpetual licenses revenues that we recognized in 2001.

Acquisitions

Rebis. On January 25, 2002, we purchased for $5.0 million in cash a 12.5% interest in, and an option to acquire the remainder of, Rebis, a leading developer of discipline-specific applications for the manufacturing plants industry. It is our current intention to exercise this option. Based upon a formula set forth in the option, we estimate the total consideration to be $ million, of which 70% will be paid in cash and the remaining 30% will be paid in shares of our common stock, valued at the initial public offering price. The closing of this acquisition is subject to certain closing conditions. We cannot give you any assurance that the contingencies related to our acquisition of the remainder of Rebis will be satisfied in a timely manner, or at all. The completion of the acquisition of the remainder of Rebis is not a condition to the closing of this offering. For the year-ended September 30, 2001, Rebis had revenues of

$15.9 million and net income of $1.3 million. The initial investment is accounted for under the cost method of accounting for investments.

Geopak. In December 1996, we purchased 25% of the capital stock of Geopak Corporation and acquired worldwide distribution rights for Geopak's products. Geopak develops civil engineering software based on MicroStation primarily for the transportation industry. On September 18, 2001, we acquired the remaining capital stock of Geopak for an aggregate purchase price of $17.2 million. In consideration for such acquisition, we paid the stockholders of Geopak $7.5 million in cash and issued 40,000 shares of our Senior Class C common stock, 480,000 shares of our Class D common stock and warrants to purchase up to 554,667 shares of our Class B common stock. This acquisition was accounted for under the purchase method of accounting and, accordingly, the assets and liabilities acquired were recorded at their estimated fair values on the acquisition date.

Intergraph Product Lines. On December 26, 2000, we purchased the civil engineering, plot-services and raster-conversion software product lines from Intergraph for a total purchase price of $35.4 million, as adjusted during 2001. At the closing, we paid $13.5 million in cash, excluding transaction costs, and delivered a promissory note for the balance, which is payable in equal installments over a three-year period. The note bears interest at an annual rate of 9.5%. We will repay this acquisition note with a portion of the net proceeds of this offering. This acquisition was accounted for under the purchase method of accounting and accordingly, the assets and liabilities acquired were recorded at their estimated fair values on the acquisition date.

Critical Accounting Policies

We have identified the policies below as critical to our business operations and the understanding of our operating results. The impact of and any associated risks related to these policies on our business operations are discussed throughout "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" where such policies affect our reported and expected financial results. A "critical accounting policy" is one that is both important to the portrayal of our financial condition and operating results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. For a detailed discussion on the application of these and other accounting policies, see Note 1 to our Consolidated Financial Statements. Our preparation of this prospectus requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. We cannot assure you that actual results will not be different from those estimates.

Revenue Recognition. Our revenue recognition policy is significant because our revenues are the key component of our results of operations. In addition, our revenue recognition policy determines the timing of associated costs, such as commissions and royalties. We follow very specific and detailed guidelines in determining revenues; however, certain judgments affect the application of our revenue policy such as reserves for possible returns of products from our channel partners and subscriptions revenues to be recognized on contracts awaiting renewal notification. Revenue results are difficult to predict and any shortfall in revenues or delay in recognizing revenues could cause our operating results to vary significantly from quarter to quarter and could result in future operating losses.

We recognize revenues from non-recurring perpetual license agreements in accordance with the provisions of AICPA Statements of Position (SOP) 97-2 *"Software Revenue Recognition,"* and SOP 98-9 *"Modification of SOP 97-2, Software Revenue Recognition, With Respect to Certain Transactions"* as well as the preliminary conclusions of Emerging Issues Task Force (EITF) issue 00-21, "*Multiple Element Arrangements."* Perpetual licenses for software are generally recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, collectibility is probable and all

significant obligations have been fulfilled. For arrangements containing multiple elements, such as perpetual license fees, support/ maintenance and consulting services and where vendor-specific objective evidence (VSOE) of fair value exists for all undelivered elements, we account for the delivered elements in accordance with the "residual method" prescribed by SOP 98-9.

We recognize revenues from Bentley SELECT subscriptions ratably over the duration of the contract. The duration of the initial Bentley SELECT subscription contract is typically two years and we also offer licenses for monthly or annual terms. These contracts automatically renew for successive terms unless terminated. Billings in advance of providing services are recorded as deferred subscriptions revenues. Our professional services facilitate the implementation, integration, customization and training of our software solutions. We recognize revenues for these services as they are performed, as they are principally contracted for on a time and material basis.

In 2001, we initiated a strategy to change our distribution model for perpetual licenses from a predominantly resale model to one that emphasizes direct sales. Prior to the change, we recognized revenues upon shipment to the channel partner and recorded a reserve that reduced revenues for an estimate of future returns. Estimates for returns were adjusted periodically based upon historical rates of returns, inventory levels in the distribution channel and other related factors. While management believes it can make reliable estimates for these matters, nevertheless unsold products in these distribution channels are exposed to rapid changes in end user preferences or technological obsolescence due to new operating environments, product updates or competing products. As the amount of inventory in our distribution channel is no longer material, this risk has been reduced.

Allowance for doubtful accounts. Accounts receivable are reduced by an allowance for amounts that may become uncollectible in the future. The majority of our receivables is due from various end users and channel partners located throughout the United States, Europe and Asia/Pacific. From time to time, our users dispute the amounts due to us and in other cases our users experience financial difficulties and cannot pay on a timely basis. In certain instances, these factors ultimately result in uncollectible accounts. The determination of the appropriate reserve needed for uncollectible accounts involves significant judgment. Changes in the factors used to evaluate collectibility could result in changes in the reserve needed. Such factors include changes in the financial condition of our customers as a result of industry, economic or customer-specific factors.

Intangibles. Our business acquisitions typically result in goodwill and other intangible assets. This affects the amount of future period amortization expenses and impairment expenses that we may incur. Our judgments regarding the existence of impairment indicators are based on legal factors, market conditions and operational performance of our acquired businesses. As of December 31, 2001 and 2000, we had approximately $49.7 million and $31.7 million of goodwill and other intangibles, net, respectively, accounting for 31% and 23%, respectively, of our total assets. The determination of the value of such intangible assets requires management to make estimates and assumptions that affect our consolidated financial statements. See "*— Recent Accounting Pronouncements.*"

Income taxes. Our income tax policy records the estimated future tax effects of temporary differences between the tax bases of assets and liabilities and amounts reported in the accompanying consolidated balance sheets, as well as operating loss and tax credit carryforwards. We follow specific guidelines regarding the recoverability of any tax assets recorded on the balance sheet and provide any necessary allowances as required. The carrying value of our net deferred tax assets assumes that we will be able to generate sufficient future taxable income in certain tax jurisdictions, based on estimates and assumptions. If these estimates and related assumptions change in the future, we may be required to record additional valuation allowances against our deferred tax assets resulting in additional income tax expense in our consolidated statement of operations.

Results of Operations

The following table sets forth certain line items in our consolidated statement of operations as a percentage of total revenues for the periods indicated:

	Year Ended December 31,		
	1999	2000	2001
Revenues:			
Subscriptions	49.9%	53.7%	61.0%
Perpetual licenses	43.1	39.0	30.3
Services	7.0	7.3	8.7
Total revenues	100.0	100.0	100.0
Cost of revenues:			
Cost of subscriptions	17.2	16.5	12.6
Cost of perpetual licenses	10.7	9.8	6.5
Cost of services	6.9	6.8	7.9
Total cost of revenues	34.8	33.1	27.0
Gross margin	65.2	66.9	73.0
Operating expenses:			
Research and development	18.7	19.6	20.0
Selling and marketing	38.6	38.5	36.9
General and administrative	7.0	6.7	8.0
Amortization of acquired intangibles	1.3	1.5	3.2
Total operating expenses	65.6	66.3	68.1
Income (loss) from operations	(0.4)	0.6	4.9
Interest expense, net	(1.0)	(0.8)	(1.7)
Other income, net	0.4	—	0.1
Arbitration settlement, net	7.4	—	—
Income (loss) before income taxes	6.4	(0.2)	3.3
Provision for income taxes	2.3	0.4	1.3
Net income (loss)	4.1%	(0.6)%	2.0%

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000

Revenues

Total Revenues. Total revenues increased to $202.6 million in 2001 from $180.2 million in 2000, representing an increase of 12.4%.

The following table reflects the significant changes in our revenues from 2000 to 2001:

	Subscriptions	Perpetual Licenses	Services	Total
		(in millions)		
2000 total revenues	$ 96.8	$ 70.3	$13.1	$180.2
Acquisitions	17.8	8.2	0.4	26.4
Decrease in channel inventory	—	(11.8)	—	(11.8)
Impact of foreign exchange	(1.8)	(2.1)	(0.3)	(4.2)
Other changes in revenues	10.8	(3.1)	4.3	12.0
2001 total revenues	$123.6	$ 61.5	$17.5	$202.6

As a percentage of total revenues, revenues outside of North America accounted for approximately 48.1% in 2001 and 47.4% in 2000. Our total revenues originated from the following major geographic territories:

	2001	2000
North America	51.9%	52.6%
Europe, the Middle East and Africa	36.0%	35.3%
Asia/Pacific	9.3%	10.1%
Latin and South America	2.8%	2.0%

Subscriptions. Subscriptions revenues increased to $123.6 million in 2001 from $96.8 million in 2000, representing an increase of 27.7%. The acquisition of the product lines from Intergraph and the acquisition of Geopak represented $15.8 million and $2.0 million of the increase, respectively. The other increase of $10.8 million, or 11.2%, was primarily driven by Bentley SELECT subscriptions coverage of newly sold perpetual licenses and new subscription coverage on previously sold perpetual licenses. As a percentage of total revenues, subscriptions revenues increased to 61.0% in 2001 from 53.7% in 2000.

Perpetual Licenses. Revenues from perpetual licenses decreased to $61.5 million in 2001 from $70.3 million in 2000, representing a decrease of 12.5%. The acquisition of the product lines from Intergraph contributed an additional $8.2 million in perpetual licenses revenues in 2001. The change in our distribution model resulted in a reduction of channel partner inventories of $11.8 million in 2001. If channel partner inventories had remained constant in 2001, we would have recognized an additional $11.8 million in perpetual licenses revenues. The other decrease of $3.1 million is largely the result of our increased emphasis on subscriptions revenues. As a percentage of total revenues, perpetual licenses revenues decreased to 30.3% in 2001 from 39.0% in 2000.

Services. Revenues from services increased to $17.5 million in 2001 from $13.1 million in 2000, representing an increase of 33.2%. This increase reflects our strategy to build our professional services in support of our products. As a percentage of total revenues, services revenues increased to 8.7% in 2001 from 7.3% in 2000.

Cost of Revenues

Total Cost of Revenues. Cost of revenues decreased to $54.7 million in 2001 from $59.6 million in 2000, representing a decrease of 8.3%. The decrease was attributable to lower channel partner compensation for subscription program services, elimination of royalty expenses previously paid to two technology providers that we acquired during 2000 and 2001, a reduction in software translation costs and reductions in the cost of packaging, shipping and handling, which reflect an emphasis on electronic fulfillment of orders. Gross margin was 73.0% in 2001 and 66.9% in 2000.

Cost of Subscriptions. Cost of subscriptions decreased to $25.5 million in 2001 from $29.7 million in 2000, representing a decrease of 14.2%. Gross margin on subscriptions revenues was 79.4% in 2001 and 69.3% in 2000. The increase in gross margin was primarily attributable to a decrease in channel partner compensation. In 2001, channel partner compensation for providing sales coverage and support to our Bentley SELECT users was reduced as we assumed greater responsibility for providing these services.

Cost of Perpetual Licenses. Cost of perpetual licenses decreased to $13.1 million in 2001 from $17.7 million in 2000, representing a decrease of 26.1%. Gross margin on perpetual licenses was 78.7% in 2001 and 74.8% in 2000. The increase in gross margin was primarily attributable to the elimination of royalty expenses previously paid to two technology providers that we acquired during 2000 and 2001 and reductions in the cost of packaging, shipping and handling, which reflect an emphasis on electronic fulfillment of orders.

Cost of Services. Cost of services increased to $16.1 million in 2001 from $12.2 million in 2000, representing an increase of 32.0%. Gross margin on service revenues was 8.0% in 2001 and 7.1% in 2000. This increase was attributable to better utilization of internal and external staffing.

Operating Expenses

Research and Development. Research and development expenses increased to $40.5 million in 2001 from $35.3 million in 2000, representing an increase of 14.8%. The increase primarily reflects the addition of software development engineers associated with the acquisitions of the Intergraph product lines and Geopak, as well as regular salary increases for existing employees. Research and development expenses as a percentage of total revenues were 20.0% in 2001 and 19.6% in 2000. We expect to continue investing in research and development initiatives associated with MicroStation, our discipline-specific applications and collaboration servers.

Selling and Marketing. Selling and marketing expenses increased to $74.7 million in 2001 from $69.4 million in 2000, representing an increase of 7.6%. The increase was attributable to the addition of sales and marketing personnel in connection with acquisitions, activities associated with the launch of MicroStation V8 and regular salary increases for existing personnel. Offsetting these increases were decreases attributable to the postponement of our annual users conference in 2001 due to the events of September 11. Selling and marketing expenses as a percentage of total revenues were 36.9% in 2001 and 38.5% in 2000.

General and Administrative. General and administrative expenses increased to $16.3 million in 2001 as compared to $12.1 million in 2000, representing an increase of 34.9%. The increase is attributable to general and administrative expenses associated with the acquisition of Geopak, regular salary increases for existing personnel and travel expenses. General administrative expenses as a percentage of total revenues were 8.0% in 2001 and 6.7% in 2000.

Amortization of Acquired Intangibles. Amortization of acquired intangibles increased to $6.5 million in 2001 from $2.7 million in 2000. This increase was primarily attributable to our acquisition of product lines from Intergraph and, to a lesser extent, our acquisition of Geopak. See *"— Recent Accounting Pronouncements."*

Changes in foreign exchange rates had a favorable impact of approximately $2.2 million on operating expenses during 2001.

Interest Expense, net

Interest expense, net increased to $3.5 million in 2001 from $1.5 million in 2000. Interest expense increased to $4.2 million in 2001 from $2.2 million in 2000. The increase reflected increased debt, amortization of bank fees associated with our revolving credit line and non-cash costs relating to warrants issued to certain executives for the guarantee of our revolving credit line. Interest income was consistent at $0.7 million in 2001 and in 2000.

Other Income, net

Other income, net was $0.2 million in 2001 as compared to none in 2000. This increase reflects an increase associated with our equity in income of minority interests, partially offset by an unfavorable change in foreign exchange rates.

Provision for Income Taxes

The provision for income tax increased to $2.6 million in 2001 from $0.9 million in 2000. The provision for income tax for 2001 reflects an effective worldwide tax rate of approximately 39%. Provision for income taxes for 2000 reflects non-deductible expense on our pretax loss of $0.3 million. We expect that our effective income tax rate will decline to approximately 35% in 2002 as a result of the deductibility of goodwill.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Revenues

Total Revenues. Total revenues decreased to $180.2 million in 2000 from $182.2 million in 1999, representing a decrease of 1.1%.

The following table reflects the significant changes in our revenues from 1999 to 2000:

	Subscriptions	Perpetual Licenses	Services	Total
		(in millions)		
1999 total revenues	$90.9	$78.4	$12.9	$182.2
Acquisitions	0.8	—	—	0.8
Increase in channel inventory	—	4.8	—	4.8
Impact of foreign exchange	(3.6)	(3.2)	(0.5)	(7.3)
Other changes in revenues	8.7	(9.7)	0.7	(0.3)
2000 total revenues	$96.8	$70.3	$13.1	$180.2

As a percentage of total revenues, revenues outside North America accounted for approximately 47.4% in 2000 and 49.2% in 1999. Our total revenues originated from the following major geographic territories:

	2000	1999
North America	52.6%	50.8%
Europe, the Middle East and Africa	35.3%	35.9%
Asia/ Pacific	10.1%	9.9%
Latin and South America	2.0%	3.4%

Subscriptions. Subscriptions revenues increased to $96.8 million in 2000 from $90.9 million in 1999, representing an increase of 6.5%. This increase was driven by $8.7 million from Bentley SELECT subscription coverage of newly sold perpetual licenses and new subscription coverage on previously sold perpetual licenses. This increase was partially offset by $3.6 million in foreign exchange effects. As a percentage of total revenues, subscriptions revenues increased to 53.7% in 2000 from 49.9% in 1999.

Perpetual Licenses. Revenues from perpetual licenses decreased to $70.3 million in 2000 from $78.4 million in 1999, representing a decrease of 10.5%. This decrease was due to our emphasis on subscriptions revenues and a stronger U.S. dollar, which reduced comparative revenues by $3.2 million. This decrease was partially offset by an increase of $4.8 million in channel partner inventories during 2000. As a percentage of total revenues, perpetual licenses revenues decreased to 39.0% in 2000 from 43.1% in 1999.

Services. Revenues from services increased to $13.1 million in 2000 from $12.9 million in 1999, representing an increase of 2.2%. As a percentage of total revenues, services revenues remained consistent at 7.3% in 2000 and 7.0% in 1999.

Cost of Revenues

Total Cost of Revenues. Cost of revenues decreased to $59.6 million in 2000 from $63.4 million in 1999, representing a decrease of 6.0%. Gross margin on revenues was 66.9% in 2000 and 65.2% in 1999.

Cost of Subscriptions. Cost of subscriptions decreased to $29.7 million in 2000 from $31.4 million in 1999, representing a decrease of 5.4%. Gross margin on subscriptions revenues was 69.3% in 2000 and 65.5% in 1999. The increase in gross margin was primarily attributable to a decrease in channel partner compensation, offset by increased internal technical support costs. In 2000, channel partner compensation for providing sales coverage and support to our Bentley SELECT users was reduced as we assumed greater responsibility for providing these services.

Cost of Perpetual Licenses. Cost of perpetual licenses decreased to $17.7 million in 2000 from $19.4 million in 1999, representing a decrease of 8.7%. This decrease was the result of lower perpetual licenses revenues. Gross margin on perpetual licenses remained relatively consistent at 74.8% in 2000 and 75.3% in 1999.

Cost of Services. Cost of services decreased to $12.2 million in 2000 from $12.6 million in 1999, representing a decrease of 3.4%. Gross margin on service revenues was 7.1% in 2000 and 1.7% in 1999. This increase was attributable to better utilization of internal and external staff.

Operating Expenses

Research and Development. Research and development expenses increased to $35.3 million in 2000 from $34.0 million in 1999, representing an increase of 3.8%. The increase primarily reflects the addition of software development engineers associated with an acquisition that occurred in May 2000, as well as regular salary increases for existing employees. Research and development expenses as a percentage of revenues were 19.6% in 2000 and 18.7% in 1999.

Selling and Marketing. Selling and marketing expenses decreased to $69.4 million in 2000 from $70.3 million in 1999, representing a decrease of 1.2%. This decrease was primarily due to cost control efforts related to advertising, marketing and promotion costs. Selling and marketing expenses as a percentage of total revenues were 38.5% in 2000 and 38.6% in 1999.

General and Administrative. General and administrative expenses decreased to $12.1 million in 2000 from $12.8 million in 1999, representing a decrease of 5.7%. In 1999, we recorded $1.0 million in stock-based compensation expense, which did not occur in 2000. General and administrative expenses as a percentage of total revenues were 6.7% in 2000 and 7.0% in 1999.

Amortization of Acquired Intangibles. Amortization of acquired intangibles increased to $2.7 million in 2000 from $2.5 million in 1999. See "*Recent Accounting Pronouncements*."

Changes in foreign exchange rates had a favorable impact of approximately $3.2 million on operating expenses during 2000.

Interest Expense, net

Interest expense, net decreased to $1.5 million in 2000 from $1.9 million in 1999, representing a decrease of 21.9%. Interest expense was $2.2 million in 2000 and $2.3 million in 1999. Interest income was $0.7 million for 2000 and $0.4 million for 1999. The increase reflected interest earned on notes receivable from employees related to purchases of equity, which were issued in 1999 and 2000.

Other Income, net

Other income, net was none in 2000 as compared to $0.7 million in 1999. This decrease reflects an unfavorable change in foreign exchange rates, and an increased loss from our equity in minority interests.

Arbitration Settlement

In 1999, we recognized a gain of $13.6 million of income pursuant to an arbitration settlement agreement between us and Intergraph Corporation. See Note 4 to our Consolidated Financial Statements for a more complete description of the terms of the Intergraph arbitration settlement.

Provision for Income Taxes

The provision for income tax decreased to $0.9 million in 2000 from $4.2 million in 1999. The provision for income tax for 2000 reflects the effects of non-deductible expenses on our pretax loss of $0.3 million. While non-deductible expenses remained relatively consistent between 1999 and 2000, we reported taxable income of $11.6 million in 1999 as compared to a pretax loss of $0.3 million in 2000.

Selected Quarterly Operating Results

The following tables set forth certain unaudited quarterly consolidated statements of operations data for each of the eight quarters ended December 31, 2001 and the percentage of our total revenues represented by each item in the respective quarter. This unaudited quarterly information has been prepared on the same basis as the annual information presented elsewhere herein and, in management's opinion, includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information for the quarters presented. The operating results for any quarter are not necessarily indicative of results of any future period.

	Three Months Ended,							
	Mar 31, 2000	Jun 30, 2000	Sep 30, 2000	Dec 31, 2000	Mar 31, 2001	Jun 30, 2001	Sep 30, 2001	Dec 31, 2001
	(in thousands, unaudited)							
Revenues:								
Subscriptions	$22,719	$23,014	$24,568	$26,529	$28,970	$29,857	$31,685	$33,130
Perpetual licenses	15,712	16,090	16,576	21,873	15,427	16,516	12,325	17,195
Services	2,372	3,285	3,162	4,324	3,654	4,799	4,095	4,957
Total revenues	40,803	42,389	44,306	52,726	48,051	51,172	48,105	55,282
Cost of revenues:								
Cost of subscriptions	6,820	7,624	6,960	8,278	6,687	7,551	6,190	5,048
Cost of perpetual licenses	5,488	4,452	4,775	3,003	3,537	4,181	2,923	2,454
Cost of services	3,081	3,088	3,174	2,864	3,115	4,149	3,962	4,884
Total cost of revenues	15,389	15,164	14,909	14,145	13,339	15,881	13,075	12,386
Gross profit	25,414	27,225	29,397	38,581	34,712	35,291	35,030	42,896
Operating expenses:								
Research and development	7,403	8,253	9,287	10,345	9,043	9,235	9,249	12,999
Selling and marketing	16,006	18,320	17,221	17,884	17,944	18,873	17,728	20,141
General and administrative	2,576	2,606	2,429	4,445	3,830	3,225	4,112	5,092
Amortization of intangibles	750	849	883	200	1,654	1,362	1,910	1,561
Total operating expenses	26,735	30,028	29,820	32,874	32,471	32,695	32,999	39,793
Income (loss) from operations	(1,321)	(2,803)	(423)	5,707	2,241	2,596	2,031	3,103
Interest expense, net	(467)	(352)	(403)	(239)	(1,010)	(714)	(421)	(1,317)
Other income (expense), net	1,097	(768)	(236)	(93)	117	347	(562)	286
Income (loss) before income taxes	(691)	(3,923)	(1,062)	5,375	1,348	2,229	1,048	2,072
Provision (benefit) for income taxes	(458)	(1,304)	(352)	2,973	526	870	409	807
Net income (loss)	$ (233)	$ (2,619)	$ (710)	$ 2,402	$ 822	$ 1,359	$ 639	$ 1,265

	Three Months Ended,							
	Mar 31, 2000	Jun 30, 2000	Sep 30, 2000	Dec 31, 2000	Mar 31, 2001	Jun 30, 2001	Sep 30, 2001	Dec 31, 2001
	(unaudited)							
Revenues:								
Subscriptions	55.7%	54.3%	55.5%	50.3%	60.3%	58.3%	65.9%	59.9%
Perpetual licenses	38.5	38.0	37.4	41.5	32.1	32.3	25.6	31.1
Services	5.8	7.7	7.1	8.2	7.6	9.4	8.5	9.0
Total revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of revenues:								
Cost of subscriptions	16.7	18.0	15.7	15.7	13.9	14.8	12.9	9.1
Cost of perpetual licenses	13.4	10.5	10.8	5.7	7.4	8.1	6.1	4.4
Cost of services	7.6	7.3	7.2	5.4	6.5	8.1	8.2	8.9
Total cost of revenues	37.7	35.8	33.7	26.8	27.8	31.0	27.2	22.4
Gross profit	62.3	64.2	66.3	73.2	72.2	69.0	72.8	77.6
Operating expenses:								
Research and development	18.2	19.5	21.0	19.6	18.8	18.0	19.2	23.5
Selling and marketing	39.2	43.2	38.8	33.9	37.3	36.9	36.9	36.5
General and administrative	6.3	6.1	5.5	8.5	8.0	6.3	8.5	9.2
Amortization of intangibles	1.8	2.0	2.0	0.4	3.4	2.7	4.0	2.8
Total operating expenses	65.5	70.8	67.3	62.4	67.5	63.9	68.6	72.0
Income (loss) from operations	(3.2)	(6.6)	(1.0)	10.8	4.7	5.1	4.2	5.6
Interest expense, net	(1.2)	(0.8)	(0.9)	(0.5)	(2.1)	(1.4)	(0.9)	(2.4)
Other income (expense), net	2.7	(1.8)	(0.5)	(0.1)	0.2	0.7	(1.1)	0.5
Income (loss) before income taxes	(1.7)	(9.2)	(2.4)	10.2	2.8	4.4	2.2	3.7
Provision (benefit) for income taxes	(1.1)	(3.1)	(0.8)	5.6	1.1	1.7	0.9	1.4
Net income (loss)	(0.6)%	(6.1)%	(1.6)%	4.6%	1.7%	2.7%	1.3%	2.3%

Our operating results have varied on a quarterly basis and may fluctuate significantly in the future. In general, our revenues are highest in the fourth quarter, reflecting customer expenditures against approved budgets and information technology spending. Our revenues generally are also strong in the second quarter, due in part to fiscal year ends of our government clients. Third quarter revenues are generally lower than fourth quarter revenues primarily due to a slow down in the summer months, particularly outside of North America.

Other factors that could affect our quarterly operating results include those described below and elsewhere in this prospectus:

- a higher concentration of sales in the fourth quarter as a result of information technology spending patterns;
- postponement or cancellation of orders for new perpetual licenses or subscriptions due to changes in general economic conditions or in strategic priorities, project objectives, budget or personnel of our users;
- variability in user evaluations and the duration of internal approval and expenditure authorizations;
- changes in the pricing of our products and services or those of our competitors;
- variability in the mix of our revenues from subscriptions, perpetual licenses and services; and
- unpredictability in users' purchasing decisions due to the number, timing and significance of software product enhancements and new software product announcements by us and our competitors.

Liquidity and Capital Resources

We finance our operations primarily with cash generated through operations and our revolving credit facility. During 2000, we borrowed from our revolving credit facility for working capital purposes and to fund, in part, the acquisition of product lines from Intergraph. During 2001, we repaid the outstanding balance under the revolving credit facility. As of December 31, 2001, we had $13.0 million in cash and cash equivalents and a working capital deficit of $9.1 million. Excluding the current portion of deferred subscriptions revenues, our working capital as of December 31, 2001 was $47.3 million.

Net cash provided by operating activities was $35.7 million, $17.8 million and $20.1 million in 2001, 2000 and 1999, respectively. In 2001, net cash provided by operating activities resulted primarily from our net income before depreciation and amortization and an increase in deferred subscriptions revenues. In 2000, net cash provided by operating activities resulted primarily from our net income before depreciation and amortization and increases in accruals and other current liabilities. Net cash provided by operating activities increased by $17.9 million in 2001 as compared to 2000. This increase was primarily the result of net income of $4.1 million in 2001 compared to a net loss of $1.2 million in 2000 and an increase in our deferred subscriptions revenues of $8.3 million primarily due to the acquisition of the product lines from Intergraph and the annual Bentley SELECT subscriptions covering these product lines.

Net cash used in investing activities was $9.5 million, $25.0 million and $4.7 million in 2001, 2000 and 1999, respectively. Cash used in investing activities in 2001 reflects purchases of property, plant and equipment of $4.7 million, the net cash portion of the acquisition of Geopak Corporation of $3.7 million and $1.1 million for capitalized software translation costs and investments. Cash used in investing activities in 2000 reflects acquisitions of $14.2 million, purchases of property, plant and equipment of $7.8 million and $2.9 million for capitalized software translation costs and investments. Cash used in investing activities in 1999 reflected $2.6 million for capitalized software translation costs, investments and acquisitions of technology and other intangibles. In 1999, purchases of property, plant and equipment were $2.2 million. We have generally funded acquisitions and capital expenditures, in part, through the use of cash generated through operations, bank loans and the sale of equity securities.

Net cash used in financing activities was $19.7 million in 2001, net cash provided by financing activities was $5.3 million in 2000 and net cash used in financing activities was $13.1 million in 1999. In 2001, we repaid $22.8 million under the revolving credit facility and other debt and paid $1.5 million in Senior Class C common stock dividends. These cash outflows were offset by proceeds from long-term debt of $2.6 million and the sale of Senior Class C common stock of $2.6 million. In 2000, we borrowed $15.5 million from our revolving credit facility and repaid $18.7 million of other short-term and long-term debt. We also received proceeds of $7.4 million from the sale of Senior Class C common stock. In 1999, we repaid $13.1 million of short-term and long-term debt.

On December 26, 2000, we entered into a $32.0 million revolving credit facility with two commercial U.S. banks as co-lenders. Borrowings under this facility are collateralized by our assets and provide for discretionary advances up to 85% of eligible trade accounts receivable. As of December 31, 2001, borrowings available under the revolving credit facility were $26.1 million. The revolving credit facility requires the maintenance of certain financial and non-financial covenants. We were in compliance with these covenants as of December 31, 2001. As of December 31, 2001, there were no letters of credit outstanding. However, as of March 31, 2002, a letter of credit in the amount of $1.3 million was outstanding.

We believe that our existing cash and cash equivalents, availability under our revolving credit facility, cash generated from operations and net proceeds from this offering will be sufficient to meet our working capital requirements for the foreseeable future.

Inflation

To date, inflation has not had a material impact on our financial condition and results of operations.

Recent Accounting Pronouncements

In June 1999, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 137, *"Accounting for Derivative Instruments and Hedging Activities — Deferral of the Effective Date of FASB Statement No. 133,"* which defers the effective date of SFAS No. 133, *"Accounting for Derivative Instruments and Hedging Activities."* SFAS No. 133, issued in June 1998, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and hedging activities. SFAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. We adopted SFAS No. 133 beginning on January 1, 2001. The adoption of this standard did not have any impact on our financial position or results of operations.

In June 2001, the FASB issued SFAS No. 141, *"Business Combinations."* SFAS No. 141 addresses financial accounting and reporting for business combinations. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method of accounting for business combinations except for qualifying business combinations that were initiated prior to July 1, 2001. SFAS No. 141 also changes the criteria to recognize intangible assets apart from goodwill. We adopted SFAS No. 141 on July 1, 2001. We have historically used the purchase method to account for all business combinations and we do not believe adoption of SFAS No. 141 will materially impact our financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, *"Goodwill and Other Intangible Assets,"* which requires that goodwill and certain intangibles will not be amortized. Instead, these assets will be reviewed annually for impairment and written down and charged to results of operations only in the periods in which the recorded value of goodwill and certain intangibles is more than its fair value. SFAS No. 142 applies to goodwill and certain intangible assets acquired prior to June 30, 2001. We adopted this statement on January 1, 2002. Adoption of SFAS No. 142 on January 1, 2002 had no impact on our financial statements. However, in the future, SFAS No. 142 will have the impact of reducing our non-cash amortization expense of goodwill and will have a material impact on our financial statements. The required impairment tests of goodwill may result in future period write-downs. Amortization of goodwill was

$3.1 million for the year ended December 31, 2001 and $0.5 million for the year ended December 31, 2000.

The following table presents the impact of the new standards relating to goodwill amortization and related tax effects on operating income and net loss, as if they had been in effect for the years ended December 31, 2001 and 2000:

	2001		2000	
	As Reported	As Adjusted	As Reported	As Adjusted
	(in thousands)			
Income from operations	$ 9,971	$13,080	$ 1,160	$ 1,652
Net loss	(5,244)	(3,348)	(3,556)	(3,064)
Net loss per share — basic and diluted	$ (0.23)	$ (0.14)	$ (0.15)	$ (0.13)

Details of acquired intangible assets are as follows:

	Amortizing		Non-Amortizing	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(in thousands)			
Software technology	$ 4,701	$ 1,365	$ —	$ —
Trademarks	—	—	3,080	—
Customer relationships	7,170	588	—	—
Goodwill	—	—	38,697	3,593
Other intangibles	9,914	8,351	—	—
Total	$21,785	$10,304	$41,777	$3,593

In June 2001, the FASB issued SFAS No. 143, *"Accounting for Asset Retirement Obligations,"* which applies to legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction or development and/or the normal operation of a long-lived asset. Under SFAS No. 143, guidance is provided on measuring and recording the liability. Our adoption of SFAS No. 143 will be effective on January 1, 2003. We do not believe that the adoption of SFAS No. 143 will materially impact our financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144 *"Accounting for the Impairment or Disposal of Long-Lived Assets,"* which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supersedes SFAS No. 121, *"Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of,"* it removes goodwill from its scope and retains the requirements of SFAS No. 121 regarding the recognition of impairment losses on long-lived assets held for use. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001 and interim periods within those fiscal years. We do not believe the adoption of SFAS No. 144 will materially impact our financial position or results of operations.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Risk

Because we have operations in a number of countries and our service agreements in such countries are denominated in foreign currencies, we face exposure to adverse movements in foreign currency exchange rates. As currency rates change, translation of the income statements of our international entities from local currencies to U.S. dollars affects year-over-year comparability of operating results. We do not hedge translation risks because we generally reinvest the cash flows from operations outside North America. We do not utilize any derivative security instruments.

Management estimates that a 10% change in foreign exchange rates would have impacted reported operating profit by approximately $4.4 million for the year ended December 31, 2001. This sensitivity

analysis disregards the possibility that rates can move in opposite directions and that losses from one area may offset gains from another area.

Interest Rate Risk

We earn interest income from our balances of cash and cash equivalents. This interest income is subject to market risk related to changes in interest rates, which primarily affects our investment portfolio. We invest in instruments that meet high credit quality standards, as specified in our investment policy. Our investment policy also limits the amount of credit exposure to any one issue, issuer and type of investment.

As of December 31, 2001, our cash and cash equivalents consisted primarily of investments in money market accounts. Due to the conservative nature of our investment portfolio, a sudden change in interest rates would not have a material effect on the value of the portfolio. Management estimates that if the average yield of our investments decreased by 100 basis points, our interest income for the year ended December 31, 2001 would have decreased by approximately $0.1 million. This estimate assumes that the decrease occurred on the first day of 2001 and reduced the yield of each investment instrument by 100 basis points. The impact on our future interest income will depend largely on the gross amount of our investments and future changes in investment yields.

BUSINESS

Overview of Our Company

We are a global provider of collaborative software solutions that enable our users to create, manage and publish architectural, engineering and construction (AEC) content. Our software solutions are used to design, engineer, build and operate large constructed assets, such as roadways, bridges, buildings, industrial and power plants and utility networks. We focus on five vertical industries that deploy such assets: transportation, manufacturing plants, building, utilities and government. In addition, we provide professional services for our software solutions, including implementation, integration, customization and training.

The foundation of our software solutions is our design platform, MicroStation. MicroStation was originally developed in the mid-1980s by a team of developers led by Keith and Barry Bentley. Our solutions are widely used both by major engineering and architectural firms, including Bechtel Corporation, as well as by owner/operators of large constructed assets, including 46 U.S. state departments of transportation, Fincantieri Cantieri Nivali Italiani SpA, Union Bank of Switzerland, San Antonio City Public Service Board and the U.S. Army Corps of Engineers.

We generate revenues through a renewable subscription program, known as Bentley SELECT, as well as through perpetual licenses and services. Our subscriptions revenues consist of annual recurring fees that our users pay for Bentley SELECT. Coverage under Bentley SELECT includes the right to use our products on a concurrent license basis and access to maintenance and technical support, product updates, upgrades and enhancements. Bentley SELECT further offers our users a comprehensive relationship management vehicle that provides streamlined software purchasing arrangements as well as access to on-line services, industry-specific knowledge bases, content libraries, training sessions and special events. Since these benefits are only available through Bentley SELECT, most purchasers of perpetual licenses subscribe to Bentley SELECT. Subscriptions revenues include Bentley SELECT coverage for separately sold perpetual licenses. Subscriptions revenues also include annual and monthly term licenses under the Bentley SELECT subscription program. We began offering term licenses with the introduction of our Geopak software product lines in 1996. In April 2002, we expanded our subscription program to include monthly term licenses for additional Bentley software solutions and a comprehensive enterprise subscription program for our largest users. In 2001, over 60% of our total revenues were derived from our subscriptions. We generated revenues of $202.6 million in 2001, and approximately 48% of our total revenues were generated from operations outside North America in 2001. As of March 31, 2002, we had 1,145 employees operating from 70 offices in 38 countries.

Industry Background

AEC content is critical to the design, construction and operation of large constructed assets, such as roadways, bridges, buildings, industrial and power plants and utility networks. AEC content consists of technical drawings, three-dimensional models, specifications, purchasing information and maintenance records, as well as relational data and indices. This content is typically created, used and shared by a large number of individuals from many different organizations throughout the lifecycle of the constructed asset, from design and construction through operation and maintenance.

AEC content is typically not organized and maintained systematically, despite the requirement to maintain legal documents of record and the potential additional value to be derived from using such content in the operation of large constructed assets. While drawings are printed and then used in construction, changes made during and after construction are most often not captured digitally. What begins as electronic design ends as marked-up paper drawings, and the foundation for integrated, digital AEC content is lost.

Participants in the design, construction and operation of large constructed assets require a solution that enables them to manage diverse, mission-critical AEC content and collaborate during all phases of the asset’s lifecycle. Collaboration across technical disciplines is complex and requires a solution that manages access, maintains revision history and tracks changes, including “as built” and “as maintained.”

Collaboration can lead to significant efficiencies by providing access to current AEC content, as well as enabling users to visualize the asset's design, analyze real time impact, resolve design and construction issues and communicate specification changes. In addition, users seek a collaborative solution that allows AEC content to be published to multiple electronic and physical media in a format appropriate to each user. Collaboration can reduce design and construction time, lower project costs and result in assets that are more efficiently constructed and more easily operated.

Users also require software solutions that are designed for the needs of their specific industries. Unlike solutions with a broad, generic approach, solutions that incorporate extensive industry knowledge and industry best practices are better able to meet these needs. For example, a firm that designs and constructs roadway systems requires a solution that supports design workflows for bridges, interchanges, overpasses, on-ramps and off-ramps.

AEC software vendors currently offer either design solutions or generic collaborative solutions that manage information separate from design content. Without integrating design and collaboration, these solutions fail to address the long-term asset lifecycle needs of project participants, including contractors, owner/ operators and vendors. Moreover, these solutions significantly limit the usefulness of AEC content, either because they do not recognize attributes of AEC content or fail to support collaborative access to, and interaction with, AEC content.

AEC design content is predominantly created in either DWG or DGN, the industry's two leading and most widely accepted file formats. Large AEC projects typically involve the use of both file formats during the design and engineering phases, requiring significant work to translate files and frequently resulting in loss of important AEC content. As the work of one project participant is often relied upon by other participants, dual-formatted content significantly limits design and engineering efficiency, often resulting in errors and undependable file translations or reverting to the exchange of paper drawings or computer images thereof, instead of intelligent, queryable formats. Additionally, organizations that design, construct or operate large constructed assets have voluminous libraries of drawings and documents that date back many years, many of which are documents of record and must be maintained as a matter of law. While recent drawings and documents are often stored in various electronic formats, historical drawings are stored in libraries on paper, Mylar or microfilm. As a result, users require software solutions that accommodate digital content stored in either DWG or DGN file format, as well as legacy content currently stored on physical media.

AEC content can provide additional value to users through interoperability and integration with other enterprise software applications that are utilized by project participants, including enterprise resource planning (ERP), procurement, supply chain management (SCM) and financial control systems. These benefits can only be achieved if the content contained in a design file is recognizable, and can be related to other useful information such as bills of material and schedules. A drawing on paper is a collection of lines and arcs, and replicating it on a computer screen adds little value. The building blocks of a design, or the components, must be associated to their real characteristics or attributes. For example, a pump in an oil refinery must be understood to be a pump, rather than a graphical representation of a pump, with dimensions, manufacturer part number, how it interacts with other components and other information. With such relational and semantic context, the AEC content can be utilized to automatically provide a bill of materials to an SCM system, generate a cost estimate for a financial control system and enable project teams to assess alternative scenarios in identifying and resolving design or engineering issues.

According to International Data Corporation (IDC) research, total worldwide software license and maintenance revenues for AEC applications in 2001 were $2.138 billion and are forecast to grow to $4.072 billion by 2006 (IDC Worldwide Software Forecaster, March 2002). We believe that collaborative software solutions that integrate and manage AEC content represent an opportunity to solve problems not addressed by current AEC software.

Organizations engaged in the design, construction and operation of large constructed assets require a software solution that facilitates efficient design while also allowing all project participants to communicate, collaborate and share information throughout an asset's lifecycle. These organizations

require solutions that are specifically tailored to meet their unique industry requirements and business processes. Many software applications do not adequately address the need for collaboration among project participants, provide the required discipline or industry specific tools or offer the reusability of content throughout the useful life of the asset. We believe that a substantial opportunity exists for software providers that address the full range of available AEC content and that can leverage such content for use within enterprise software applications.

Our Solution

Our collaborative software solutions enable our users to maximize the value of AEC content by supporting an integrated approach to managing the lifecycle of a large constructed asset, from design and construction through operation and maintenance. The foundation of our solution is a single integrated design platform, MicroStation, that natively supports both the DWG and DGN file formats and is extended with our discipline-specific applications developed for the unique design challenges presented by the broad range of potential workflows that exist in our target industries. Our fully integrated collaboration servers manage and publish content created by MicroStation and our discipline-specific applications, as well as content created with other design and enterprise applications. We believe that our integrated approach facilitates the design and construction process, shortens project schedules, reduces overall project costs and facilitates the operation and management of the large constructed asset.

The benefits of our solutions include:

- *Comprehensive unified architecture*. MicroStation is the foundation for our discipline-specific applications and is integrated with our collaboration servers into a comprehensive, unified architecture. Because our solutions are founded on a comprehensive, unified architecture, our users benefit from application integration and data interoperability and consistency. Our collaboration servers recognize AEC content at the component level and intelligently manage content based on a component's descriptive attributes. For example, our piping application can produce a design of a piping system that will integrate seamlessly with a structure created with our architectural application, regardless of whether the applications are used simultaneously on the same computer by one person or independently by two people across a network. MicroStation V8, released in October 2001, provides native access to its own DGN file format as well as to the industry's other leading format, DWG. This ability eliminates the need to translate between formats and manage resulting translation errors.

- *Targeted vertical industry solutions.* Our discipline-specific applications extend MicroStation's creation capabilities with applications tailored to the design challenges of architectural and engineering disciplines. We offer discipline-specific applications for architectural design, civil engineering, geoengineering, facilities management and plant design, that incorporate extensive industry knowledge and industry best practices, and also integrate seamlessly with other Bentley products. These discipline-specific applications are developed utilizing the expertise of our employees, many of whom have spent substantial portions of their careers participating in projects within one or more of our target industries. We use combinations of discipline-specific applications to address the needs of users in five vertical industries: transportation, manufacturing plants, building, utilities and government. Our focus on these vertical industry solutions enables our users to address unique workflow requirements encountered in these industries, while maintaining the integrity of AEC content.

- *Collaboration for more efficiently constructed assets.* Our collaboration servers enable project participants from disparate organizations in multiple locations to collaborate and share AEC content and expertise. Users of our collaboration servers are able to query and annotate designs, track change history and interface with accounting, procurement and other enterprise applications. By accurately tracking design history and providing easy access to AEC content, our software allows users to communicate effectively, streamline the design process, utilize

resources efficiently, improve design quality and reduce costs incurred over the lifecycle of a large constructed asset. For example, our software's ability to track design history allows a particular portion of a design iteration to be traced to its origin and contributor, information normally lost but invaluable when resolving disputes or addressing complex design and construction situations.

- *Incorporation of legacy AEC content.* While new designs created with MicroStation and our discipline-specific applications are intelligent and created in a form immediately understood by our collaboration servers, our users have substantial volumes of historical documents of record in digital or hardcopy format that must also be managed, retained and made available, often as a matter of law. This is particularly valuable for applications related to vulnerability assessments and consequence management to assure the physical security of key infrastructure assets. Our software solutions enable our users to convert paper documents to digital form, index the document to describe its content, add intelligence and cross reference the digital components to other related data. These capabilities permit our users to benefit from AEC content that had previously been virtually inaccessible.

- *Integrated digital content over the asset's lifecycle.* Our solutions enable the organization of AEC content related to the design, construction and maintenance of an asset. Our collaboration servers manage an integrated virtual model of an asset and associate it with descriptive content and other non-graphical content, providing an environment where changes due to construction, maintenance or other factors can be systematically and digitally recorded. By cohesively integrating previously disconnected and often non-digital AEC content, our solution prevents loss of mission critical information, simplifies access to AEC content and supports more effective management of large constructed assets.

Our Strategy

Our objective is to be a leading provider of collaborative software solutions to the industries we have targeted. To achieve this objective we intend to pursue the following strategies:

- *Focus on the vertical industries we serve.* We focus on specific industries in which owner/operators derive substantial value from the operation of large constructed assets throughout their lifecycles. These industries include transportation, manufacturing plants, building, utilities and government. We believe that industry experience and expertise are critical attributes sought by owner/operators when they select collaborative AEC software solutions. Our industry focus enables us to deliver tailored solutions that offer advantages in functionality and use of AEC content as compared to products offered by other software providers. In addition, we believe that our focus on specific industries makes our sales, marketing and product development efforts more efficient and effective in these targeted industry groups. We plan to devote substantial product development resources as well as additional sales and marketing resources in our efforts to expand our leadership position in each of our targeted vertical industries.

- *Enhance and extend our collaborative software solutions.* Our collaboration servers allow our users to maximize the value of large constructed assets by enabling the use, re-use and sharing of AEC content. Our content management and publishing products facilitate communication among project participants and non-engineers for purposes of building, maintaining, re-furbishing, repairing or operating these assets. We have invested significant research and development resources in our collaboration servers over the last three years and we intend to continue investing our resources to enhance this technology, as we believe collaboration servers will be a key component of our future growth.

- *Grow our subscriptions revenues.* In 2001, over 60% of our total revenues were derived from our subscriptions. In response to user demand, we have begun expanding Bentley SELECT to include monthly and annual term licenses for additional Bentley software solutions and a

comprehensive enterprise subscription program for our largest users. We have aligned our sales force compensation, pricing structure and marketing materials to increase the adoption of Bentley SELECT subscriptions. We believe the recurring nature of subscriptions provides stability and predictability to our revenues. We expect to offer additional subscription programs under Bentley SELECT and to increase the percentage of our revenues derived from recurring subscriptions revenues.

- *Increase our direct sales and support capabilities.* While historically we had used a network of independent channel partners to reach our users, during the last several years we have been increasing our direct sales and support capabilities. This shift has been part of our strategy to gain more direct control of our largest customers and to maximize our opportunities with these accounts. In 2001, we began selling and delivering perpetual licenses directly to our users in North America as opposed to indirectly though our channel partners. This plan will be phased in globally in 2002. In 2003, we intend to begin servicing certain of our largest accounts exclusively with our direct sales and support personnel while our channel partners focus on growing our business outside of these defined accounts. We expect to continue to enhance our direct sales and support capabilities and adjust the role of our channel partners to maximize our opportunities.

- *Expand our professional services.* As our products have evolved from desktop applications to broader enterprise and web-based solutions, our users' need for implementation, integration, customization and training services has also grown. To date, such professional services have largely been performed by our channel partners. Our collaborative solutions will require a greater degree of professional services and we intend to take a more active role in the delivery and management of these services. We expect to continue to expand our services capabilities, grow its contribution to revenues and position our services as a value independent of related software sales.

- *Grow through strategic acquisitions.* To date, we have acquired and successfully integrated companies and/or technologies that strategically supplement our product offerings within our targeted vertical industries. We expect to continue to use acquisitions to expand our product offerings, accelerate our product development process and enhance our leadership position within our targeted industries.

Our Products

We offer three types of products that enable our users to create, manage and publish AEC content. Our products include:

- MicroStation;

- Discipline-specific applications; and

- Collaboration servers.

We offer our software through a renewable subscription program, known as Bentley SELECT, as well as through perpetual licenses. Our subscriptions revenues consist of annual recurring fees that our users pay for Bentley SELECT. Coverage under Bentley SELECT includes the right to use our products on a concurrent license basis and access to maintenance and technical support, product updates, upgrades and enhancements. Bentley SELECT further offers our users a comprehensive relationship management vehicle that provides streamlined software purchasing arrangements as well as access to on-line services, industry-specific knowledge bases, content libraries, training sessions and special events. Subscriptions revenues include Bentley SELECT coverage for separately sold perpetual licenses. Subscriptions revenues also include annual and monthly term licenses under the Bentley SELECT subscription program. We began offering term licenses with the introduction of our Geopak software product lines in 1996. In April 2002, we expanded our subscription program to include annual and monthly term licenses for additional Bentley software solutions and a comprehensive enterprise subscription program for our largest users.

Certain of our discipline-specific applications are available as portfolio subscriptions that address the needs of specific engineering and architectural disciplines within our targeted industries. Currently, we offer portfolio solutions for road design, rail design, civil engineering, geoengineering, plant design and manufacturing facilities design.

MicroStation

Our design platform, MicroStation, is a graphical design environment used to create, visualize, query and publish intelligent two-dimensional drawings, maps and three-dimensional models. Drawings, maps and models are created using vector graphics and may incorporate or be associated with other data such as images, aerial photographs and database records.

MicroStation is used for architectural, engineering and analysis workflows necessary to support the design, construction and operation of large constructed assets such as roadways, bridges, buildings, industrial and power plants and utility networks. We bundle MicroStation with several companion products that can be configured with MicroStation to address specific workflows, including configurations for schematic design, three-dimensional design, civil engineering and geographic features.

Drawings, maps and models created on the MicroStation platform preserve the full range of AEC content in an easily accessible, searchable form. MicroStation V8 offers native support for DWG files created on competitive platforms, allowing users to open, modify, display and save files that were created in either the DWG file format or MicroStation's DGN file format.

MicroStation serves as the single integrated operating platform for our discipline-specific applications. MicroStation's standards-based architecture enables users to simplify data management and ensures application integration and consistency. MicroStation is delivered with Application Programming Interfaces (APIs), including Visual Basic for Applications, that are used by end users and third parties to customize and extend its capabilities. The discipline-specific applications typically support the same APIs.

Discipline-Specific Applications

Each architectural and engineering discipline requires applications that are tailored to its unique design challenges and that deliver more than simple computerized drafting. Civil engineering disciplines required to design a roadway, for example, are very different from the architectural, structural, piping and other disciplines necessary to design a manufacturing plant. Our discipline-specific applications extend MicroStation's creation capabilities to enable automated, directed and intelligent design, specific to the unique requirements of each discipline. Our discipline-specific applications are fully integrated with each other, offering seamless interoperability in a single design environment.

- *Architectural Design.* Our architectural design applications are delivered with libraries of parametric building parts and support Internet links to vendor and manufacturer product catalogs. All aspects of the design are integrated into a three-dimensional model, and a rich set of visualization and simulation tools provides dynamic and photorealistic reviews. Traditional drawings, bills of materials and other reports can be extracted from the model, which acts as a geometrically indexed database of AEC content.

- *Civil Engineering.* Our civil engineering applications are used to design, construct, maintain and operate transportation infrastructure. These applications are used for roadway and corridor design, widening and resurfacing, survey site design and storm water removal, hydrology, earthworks, bridge modeling, interchange design, rail design and maintenance. Users of these products create plans, plan profiles, cross sections, contour maps, digital terrain models and alignments, information generally necessary to plan and support construction. We also offer transportation operation and maintenance solutions for routing and permitting of oversize and overweight vehicles, automatic traffic surveillance and control and right of way land acquisition and planning.

- *Geoengineering.* Governments and utilities use our geoengineering products for corridor mapping, network planning and management, engineering work orders, land base mapping, asset

management, public works, tax assessment, land register, land use management, and water and wastewater management. Our geoengineering applications support document conversion, mapping, imaging and spatial analysis. Because our discipline-specific applications are integrated, our users are able to conduct engineering, architecture and geoengineering within the same design environment.

- *Facilities.* Automotive manufacturers, airports, banks and other occupants of large industrial and business complexes use our facilities applications to optimize factory floor layout, allocate and plan space and track and manage assets. Our facilities management applications are used to design, model and visualize facilities, associate asset records to their location and manage asset transactions. By providing quick and easy access to detailed and up to date AEC content pertaining to the facility and its associated assets, these applications help corporate and industrial users to optimize their use of space and lower operating costs.

- *Plant Design.* Our plant design applications enable piping and electrical systems design, instrumentation design and maintenance, equipment modeling, schematic and isometric drawing and interference detection. Our component-based architecture ensures that individual parts can be identified and intelligently manipulated. For example, a conduit for electrical cables can be used with related components created by other discipline-specific applications, without the loss of intelligence of the conduit component. Additionally, our applications support photorealistic simulation and animation of proposed changes, automatic detection of interference and other problems and dynamically projected models to specified construction milestones. These features provide project managers with actual versus planned construction comparisons, analysis of constructability issues, improved design and procurement strategies and alternatives for resolving design conflicts.

Collaboration Servers

Our collaboration servers consist of content management servers and content publishing servers.

Our content management servers:

- act as a repository for AEC content created by our products, as well as for content created by other design and business products;

- enable synchronization between architectural and engineering disciplines and project participants;

- govern access to AEC content, ensuring security and enforcing data integrity;

- organize and index the information to support component and file-based queries; and

- integrate design, scheduling, procurement, operation, maintenance and other data from multiple, disparate systems, and allow it to be managed as though it were from a single, unified source.

Our content publishing servers:

- render and print AEC designs as high-fidelity, large format drawings on local or remote devices;

- publish maps, models and high-resolution images over the network and Internet;

- support graphical and attribute-based queries and seamless integration with other data sources, such as an Oracle database;

- support Web development to enable users to create rich Web interfaces that organize the presentation of content through map, model or other interface paradigms;

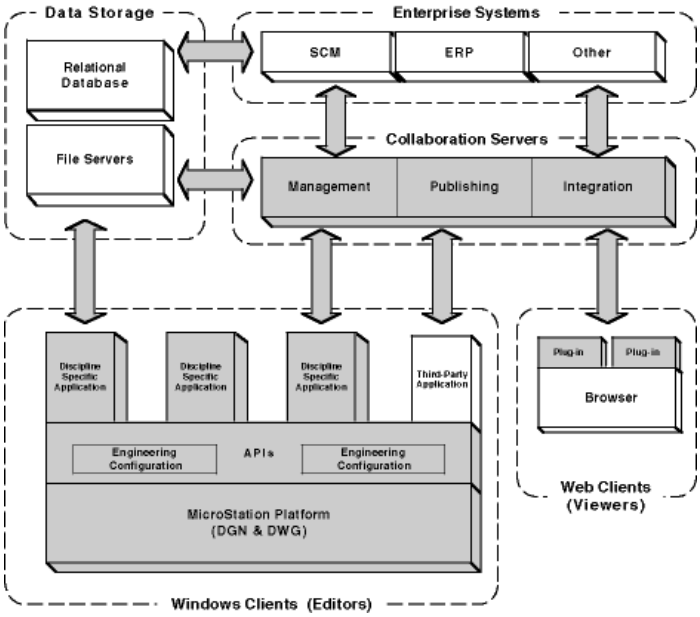
- support streaming and other techniques to enable users to interactively navigate extremely large data sets, often gigabytes in size, even over low bandwidths;

- compose AEC content and deliver in appropriate formats to ERP, document management, procurement and other enterprise software systems; and

- deliver AEC content automatically based upon some event such as a date or workflow state.

Technology and Product Architecture

Our software solutions are based on a single unified architecture and enable our users to create, manage and publish AEC content. MicroStation and discipline-specific applications are used to create AEC content and our collaboration servers are used to manage and publish such content. Our collaboration servers are accessed by users of MicroStation and related discipline-specific applications, as well as by many additional users that need access to AEC content.



Data generated by MicroStation and discipline-specific applications is stored in both files and relational databases. Data that is primarily graphical is stored in design files. The design file format used by MicroStation is known as the DGN format. With MicroStation V8, the DGN format was extended to store more complex data, track the history of graphical components, embed information using XML and store a superset of the data that is stored in other design file formats, particularly DWG, the other leading file format. MicroStation is the only platform that provides native support for both file formats. DGN files have mechanisms that allow nongraphical data associated with graphics to be stored either within the file itself, or linked to external relational databases.

Our collaboration servers store the design files and other files typically associated with AEC projects, such as Microsoft Word files and Microsoft Excel spreadsheets and keep metadata about those files in a relational database such as Oracle. The metadata about these files includes file location, when and by whom revisions have been made, access rights, cross-referenced files and other similar information. The relational database may also contain an index of other relevant data contained within design files. The client software used to create the content connects to the collaboration server to request that data be delivered to the local computer for modification. Users who are not editors, but viewers of the content, can use thin, browser-based clients to request that the collaboration server deliver the appropriate data to their browser window.

Certain of our collaboration servers are designed to integrate and publish information from multiple sources, including design files, other application files such as spreadsheets and data stored in integrated databases. Information is collected from those sources using "adapters," and business rules are defined in a macro language to relate the disparate data from those multiple sources. For example, the components in a design file can be linked to procurement data stored in a relational database and to scheduling information from a project schedule database to deduce and graphically display the components that will delay the project unless their delivery date is expedited.

MicroStation, our discipline-specific applications and collaboration servers have been developed using a combination of the C, C++, Microsoft Visual Basic, SQL and Java programming languages. Our users and third parties use documented APIs to extend and customize the applications.

MicroStation and our discipline-specific applications require a Microsoft Windows operating system. We currently support Windows 98, Windows NT, Windows 2000 and Windows XP. Our collaboration servers consist of server programs and a variety of client programs. Databases can run on either Microsoft Windows or Unix-based server systems.

Additionally, we offer an on-line project collaboration site to our Bentley SELECT subscribers. This site provides a neutral place for distinct organizations to collaborate and to coordinate project communication and data sharing. Our collaboration servers include similar functionality for users who prefer in-house collaboration networks.

Our Services

We offer services including implementation, integration, customization and training, which are generally billed on a time and materials basis. As of March 31, 2002, there were 214 employees in our professional services organization, consisting of the following:

- *Bentley Consulting.* Our consultants offer our users extensive industry knowledge and experience, and are integral to the successful implementation of our solutions. Our consultants work with our users to implement and integrate our solutions and customize to address our users' unique workflow requirements or enterprise computing environment where necessary. Our consultants are aligned with our targeted vertical industries in order to support our users' needs. We have also designated certain channel partners as Bentley Integrators to provide implementation and support services for our products. These channel partners work with us through the Bentley Integration Network to integrate our solutions with technologies from other vendors and offer a variety of outsourced services to our users.

- *The Bentley Institute.* Our professional services team, together with our global network of certified training partners, deliver training programs for our users, from core applications and systems administration to advanced techniques in discipline-specific applications, as well as a range of customized training packages.

- *Technical Support Group.* Our Technical Support Group provides technical services, technical operations and program development to our users worldwide. There are three support centers, located in Exton, Pennsylvania, Hoofddorp, The Netherlands and Melbourne, Australia, providing 24-hour support for our Bentley SELECT subscribers.

Our Users

Our users design, engineer, build and operate large constructed assets, such as roadways, bridges, buildings, industrial and power plants and utility networks. We focus on five vertical industries that deploy such assets: transportation, manufacturing plants, building, utilities and government.

Currently, there are more than 315,000 licensed commercial users of our design platform, MicroStation, excluding licenses distributed for academic, training or demonstration purposes. Our customer base is geographically diverse with nearly half of our total revenues generated outside of North America in 2001. In 2001, over 330 customers contributed more than $100,000 each to our revenues,

accounting for approximately 48% of total revenues, and nearly 1,300 customers contributed more than $25,000 each to our revenues, accounting for approximately 70% of total revenues. No single customer accounted for over 1% of total revenues in 2001.

Our user base consists of owner/ operators of large constructed assets and contracting firms — architects, engineers, constructors and consultants – that provide design, procurement, construction and related services to owner/ operators. Approximately two-thirds of our MicroStation licenses are registered by owner/ operators, approximately one-third of which are within government agencies.

Contracting Firms

Most of the largest contracting firms are global and serve multiple markets. The top 500 U.S.-headquartered contracting firms are ranked annually by Engineering News Record (ENR), a McGraw-Hill publication, on the basis of their design billings. Among the top 50 of these contracting firms, 38 firms contributed at least $100,000 each to our revenues in 2001. The following are the number of Bentley users among all ENR categories that contributed more than $100,000 each to our revenues in 2001:

16 of the top 20 in industrial process and petrochemical

19 of the top 20 in transportation
19 of the top 20 in power
11 of the top 20 in hazardous waste
8 of the top 20 in general building
12 of the top 20 in sewer/waste
13 of the top 20 in water
16 of the top 20 in telecommunications
12 of the top 20 in manufacturing

The following list sets forth our ten largest contracting firm customers in North America and internationally based on 2001 total revenues:

		North America		
Bechtel Group, Inc.	CH2M Hill, Incorporated	Fluor Corp.	HDR Engineering, Inc.	HNTB Corporation
Jacobs Engineering Group Inc.	Parsons Brinckerhoff Inc.	Peter Kiewit Sons	URS Corporation	The Washington Group International, Inc.
		International		
Arup Group Ltd. (UK)	Foster and Partners(UK)	Halcrow Group(UK)	JGC (Japan)	Kvaerner Goup (Norway)
EPC Latina Americana S.A. (Brazil)	Takenaka Corporation (Japan)	Technip Coflexip (France)	Wood Group Ltd. (UK)	WS Atkins PLC(UK)

Owner/Operators

Transportation. We are a leading provider of software solutions for the planning, design, construction and operation of transportation infrastructure, as well as intelligent transportation systems. Our transportation owner/operator users own and operate road and rail systems, airports and seaports.

Manufacturing Plants. We are a leading provider of software solutions for process and discrete manufacturing industries, including automotive, biotech, chemicals, electronics, food and beverage, mineral and metals, oil and gas, pharmaceuticals, power generation, pulp and paper and shipbuilding. We provide a range of integrated applications for physical and conceptual plant design, construction and facility operations and for related information management.

Building. We are a leading provider of software solutions to owner/ operators of commercial and institutional facilities who utilize our solutions for the design and construction of efficiently and timely-built facilities, at reduced construction and operating costs, and for space management and planning.

Utilities. We are a leading provider of software solutions for utility organizations around the world, with a focus on planning, designing and engineering, operating and maintaining "outside plant" networks. Our products are used for a variety of applications, including rights-of-way mapping, network provisioning, engineering work orders and asset management.

Government. We are a leading provider of software solutions to municipal and central government organizations around the world, for public works, defense and environmental applications such as parcel mapping and land registry, water and wastewater network management, and facilities engineering.

The following lists the ten owner/operators within the transportation, manufacturing plants, utilities and government industries, and the owner/operators within the building industry, that contributed the highest amounts to our total revenues in 2001, in each case in excess of $100,000:

Transportation	Manufacturing Plants	Building	Utilities	Government
46 U.S. state departments of transportation	Alstom (France)	Hong Kong SAR Government (China)	Bell South Corporation	BAW Ilmenau (Germany)
Banverket (Sweden)	DaimlerChrysler Corporation	Lucent Technologies	Colt Telecom (UK)	City of Minneapolis
Dallas Fort Worth International Airport	Duke Energy Corporation	New York City Housing Authority	Consolidated Edison Inc.	City of Toronto (Canada)
Deutsche Bahn AG (Germany)	EQUATE Petrochemical (Kuwait)	Starbucks Coffee	Consumers Energy	Conseils Generaux & Regionaux (France)
DSB (Denmark)	Fincantieri Cantieri Navali Italiani SpA (Italy)	Union Bank of Switzerland (Switzerland)	EDF GDF (France)	LARIS Center (Russia)
Federal Aviation Administration	Merck		KPN Holding (Netherlands)	Ministere de la Defense (France)
Fraport AG (Germany)	Pemex (Mexico)		San Antonio City Public Service Board	San Diego Data Processing Corporation
Group EGIS (France)	Petrobras (Brazil)		SBC Communications Inc.	U.S. Air Force and Army
London Underground Limited (UK)	Saudi Aramco		Telewest Communications plc (UK)	U.S. Army Corps of Engineers
New York City Transit Authority	Siemens KWV (Germany)		Verizon/GTE	U.S. Federal Government

Case Studies

Bechtel Corporation

Bechtel Corporation, one of the world's largest engineering and construction firms, is the prime contractor for the River Protection Project Waste Treatment Plant (WTP) in Hanford, Washington. The WTP is part of the government's solution to the U.S. Department of Energy's (DOE) single largest nuclear waste issue, the Hanford Tank Farm, which contains approximately 53 million gallons, in 177 underground tanks, of radioactive chemical and nuclear waste from reprocessing operations. Concerned about the deterioration of the tanks and the potential for radioactive waste to seep into the nearby Columbia River, the DOE commissioned the WTP in order to clean the site and securely store the nuclear waste. The total cost of the project, including design and construction, is estimated to be approximately $4 billion over 10 years. The project will use 250,000 cubic yards of concrete, 58,000 tons of reinforcing and structural steel, 1,500 tons of ductwork, nearly one million linear feet of pipe and 6 million feet of wire and cable.

After being named the prime contractor on the WTP in December 2000, Bechtel desired a set of software solutions to streamline the design and construction of the project, including:

- construction simulation applications to preview design changes and improve workflows;
- collaboration servers to manage AEC content throughout the project's lifecycle; and
- an integrated platform for employees located in multiple areas to share data.

Bechtel selected our solutions for the WTP because it believes our discipline-specific applications best address its architectural, structural, HVAC and other project requirements. Bechtel recently implemented our software to perform three-dimensional graphic modeling for construction design and simulation, with a goal to reduce project costs by improving constructability and minimizing change at the project site. Bechtel also uses our collaboration servers to manage, integrate and maintain over 25,000 files created in multiple applications for various disciplines. In addition, our collaboration servers enable project participants to query, search and leverage AEC content over the plant's lifecycle, an important requirement of the DOE. For the design and construction of the WTP, Bechtel currently uses MicroStation, 15 discipline-specific applications and our collaboration servers, employing over 850 licenses.

Bechtel standardized on the MicroStation platform in 1991 and currently owns nearly 3,000 MicroStation licenses world-wide.

Pentagon Renovation Program

The Pentagon, which is the headquarters for the U.S. Department of Defense, is the world's largest low-rise office building and accommodates a daily population of approximately 23,000 employees. Since its original construction in 1943, the Pentagon has never undergone a major renovation. However, in 1991, approval was granted to begin the Pentagon Renovation Program (PenRen) in order to meet current health, fire and life safety codes and provide reliable electrical, air conditioning and ventilation services. PenRen is a long-term renovation project that entails more than 6,000,000 square feet of space and a multibillion-dollar budget. As part of this project, PenRen initiated the first comprehensive effort to standardize and organize all AEC content created in the Pentagon's 58-year history. PenRen sought a solution that provided the most cost-effective way to:

- standardize the process by which AEC models are created;
- access AEC content in real-time to support renovation decisions; and
- utilize AEC content throughout the lifecycle of the facility.

PenRen uses our MicroStation platform to integrate considerable amounts of data into cohesive three-dimensional images. MicroStation enables PenRen to gather and exchange graphic images and notational data; draw and distribute construction designs; provide animated three-dimensional models and presentations; and coordinate AEC content with subcontractors, supervisors and operations staff. PenRen utilizes MicroStation, along with third party solutions, to generate AEC content that supports the simulation of the movement of people, furniture and equipment, resulting in fewer disruptions and minimized costs. Our products play a central role in the Pentagon's long-term facility and infrastructure management plan by allowing easy access to AEC content over the life of the facility.

In the wake of the September 11, 2001 attack on the Pentagon, MicroStation-based engineering models of the Pentagon quickly produced detailed structural drawings for use by rescue crews, structural engineers and law enforcement officers.

New York State Department of Transportation

The New York State Department of Transportation (NYSDOT) manages a large and complex transportation system with over 110,000 highway miles, 17,000 bridges, 5,000 rail miles, 456 aviation facilities and 12 major ports. Prior to implementing our solutions, the NYSDOT managed its AEC content either manually or through a variety of internally developed systems. The NYSDOT experienced significant challenges in efficiently creating and managing AEC content, communicating project changes in

real-time to project participants located in multiple sites and providing timely and easy access to relevant information.

The NYSDOT began utilizing our solutions in 1987 with an initial purchase of 100 MicroStation licenses and added 125 licenses of our roadway design solution in 1989. By 2001, NYSDOT held 600 licenses of MicroStation, 325 licenses of our roadway design solution and 800 licenses of our network plotting application. In 2002, NYSDOT entered into a five-year, $5.2 million enterprise subscription agreement with us, which provides access to our full suite of collaborative software solutions, as well as our consulting and training services. The NYSDOT uses MicroStation and our discipline-specific applications to design and support multi-billion dollar capital projects annually and our collaboration servers to improve production workflow and standardize technical drawings. NYSDOT will use our collaboration servers to organize and provide security for its 7,000 active and archived projects, consisting of more than 300,000 files. The tight integration and support of these solutions enable the NYSDOT to efficiently complete a greater number of projects while utilizing fewer resources.

Bligh Lobb Sports Architecture

Bligh Voller Nield, a MicroStation user since 1991, is one of Australia's largest architecture practices. Bligh Voller Nield joined forces with a leading UK-based architectural firm, Lobb Partnership, to form a team of sports facility specialists called Bligh Lobb Sports Architecture (BLSA). In 1996, BLSA won the bid to design, build and operate Stadium Australia, the largest Olympic stadium ever built. A challenging design feature of the Sydney 2000 Olympic Stadium was the translucent, saddle-shaped roof, which was designed to effectively shade and protect spectators, allow maximum natural light for athletes and provide an environment for optimal turf growth. Another design consideration for the stadium was the objective to reduce seating capacity by over 25% following completion of the Olympics, to save on future maintenance costs. BLSA was seeking a solution that had three-dimensional simulation capabilities to review numerous versions of the project prior to construction and a collaboration platform for project participants and contractors to share data seamlessly.

BLSA used our three-dimensional design capabilities to assist in designing and building Stadium Australia, including producing accurate drawings and models, automating engineering tasks and optimizing construction schedules. Using our three-dimensional models before construction began, BLSA was able to simulate the effects of light on the playing field and stands by creating a video with photo realistic animations containing "time-lapse" pieces for sunlight and shadow effects. In addition, our three-dimensional models simulated the phased seating reduction that was to follow the end of the Olympics. Our solutions allowed BLSA to explore multiple versions of the general stadium design, enabling collaboration and communication between various members of the design and construction teams. Construction of Stadium Australia began in September 1996, was completed three months ahead of schedule and successfully met budget guidelines.

Sales and Marketing

We market and sell our products, subscriptions and services globally, through a combination of a direct sales force and channel partners.

Our direct sales force and services organization is organized geographically into 11 territories. Five of these territories report to the Vice President of North America Operations and the remaining six report to the Senior Vice President of International Operations. In North America, in addition to our headquarters in Exton, Pennsylvania, we have 11 sales offices. Our international operations are headquartered in The Netherlands and we have 58 sales offices in 35 countries throughout Europe, the Middle East, Africa, Asia/Pacific and Latin and South America. In addition to our regionally-based sales force, we have supplemental industry-based teams of senior-level personnel who focus on opportunities in our targeted vertical industries.

We also utilize a network of independent channel partners that provide sales, service and support to their assigned accounts and are responsible for developing new opportunities. Among our channel partners

is a select group known as Bentley Integrators, which provides implementation and support services for our products. We own a minority equity interest or have an option to acquire a minority equity interest in 9 of our 11 Bentley Integrators. Our North American operations include 45 channel partners, of which 6 are Bentley Integrators, and our operations outside North America include 239 channel partners, of which 5 are Bentley Integrators.

From 1987 through 1994, our products were distributed exclusively through Intergraph Corporation. In 1995 we began to develop a network of channel partners and a direct sales function to distribute our products other than through Intergraph and Intergraph continued distribution of our products on a non-exclusive basis. Over the past several years, we have increased our direct sales and support capabilities, focused on a reduced number of high quality channel partners and revised their compensation structure. In 2001 in North America, we further enhanced our direct relationship with our users by selling and delivering directly as opposed to indirectly through our channel partners. This change will be phased in globally during 2002. In February 2002, we announced our latest efforts to enhance our direct end user relationships by servicing certain of our largest accounts exclusively with our direct sales and support personnel while our channel partners focus on growing our business outside of these defined accounts. This change is aimed at properly deploying our limited sales and service resources toward the maximum number of opportunities. We plan to implement this new plan in 2003.

Our marketing programs, developed corporately and executed locally, are driven by our effort to learn continuously about our users and their needs to tailor our products to their specific industries and interests. We focus on existing accounts and the potential of those accounts to purchase additional Bentley solutions by communicating our corporate mission to retain and grow subscriptions revenues and by supporting the sales efforts of our direct sales force and channel partners. Our marketing efforts include industry-focused trade shows and Bentley sponsored seminars, general and industry relevant electronic newsletters, newsgroups and Web sites, the annual international user conference and local user group functions, editorial coverage and trade advertising. Our Bentley Education Network promotes curriculum development in academic courses relating to our products within colleges, universities and other educational institutions worldwide.

Research and Development

Since inception, we have devoted significant resources to develop our products and services. We believe our future success depends in large part on continuing innovation and rapid development. Our total research and development expenses were $40.5 million in 2001, $35.3 million in 2000 and $34.0 million in 1999. As of March 31, 2002, our research and development organization consisted of 333 employees. Our principal development center is in Exton, Pennsylvania, with other centers in Huntsville, Alabama, Miami, Florida, Turku, Finland and Quebec City, Canada. We expect to continue to devote substantial resources to our research and development activities.

Competition

The market for our software products and services has been and continues to be intensely competitive. We expect additional competition from established as well as emerging software companies. Our competitors vary in size and in the scope of the products and services they offer and include well-established companies that have larger installed user bases. We encounter competition from a number of sources, including:

- technology companies providing content creation, management and publishing in the vertical industries that we target, including transportation, manufacturing plants, building, utilities and government. These include Autodesk, Intergraph (which is one of our principal stockholders), CadCentre (Aveva Group), Dassault Systemes, Eaglepoint, Nemetschek, Graphisoft, ESRI and Siemens, among others.

- vendors of factory planning solutions, including mechanical computer aided design, such as Dassault Systemes and Electronic Data Systems Corporation;

- vendors of product lifecycle management solutions, such as Agile, MatrixOne and SAP;
- generalized content management, document management and publishing vendors, such as Documentum, FileNet and Open Text Corporation;
- horizontal collaborative, enterprise software vendors, such as Microsoft Corporation and Oracle;
- systems integrators, who may advocate for alternative approaches or competitive solutions; and
- “in house” information technology departments or local technology providers that may develop technology that provides some or all of the functionality of our products and services.

Some of the products from vendors targeting the same vertical industries we target are built upon our design platform, MicroStation, such as applications offered by Intergraph. Intergraph also offers applications on its own platform technologies such as SmartPlant and GeoMedia. Other competing products are built upon other design platforms, such as AutoCAD and other proprietary platforms. To some degree, vertical application competition is derived from a design platform decision. Application vendors are typically very focused on serving their target industries and compete very aggressively.

We believe that the principal competitive factors affecting our market include:

- new product and technology introductions;
- product features, functionality, performance and price;
- availability, completeness and integration of discipline-specific applications;
- collaborative capabilities among project participants;
- product enhancements;
- ease of integration and speed of implementation;
- knowledge of a customer’s industry;
- level of customer service and training;
- sales and marketing efforts; and
- company reputation.

Although we believe our solutions currently compete favorably with respect to these factors, we may not be able to maintain our competitive position against current and potential competitors, especially those with significantly greater financial, marketing, service, support, technical and other resources. Maintaining and growing our market share depends heavily upon our success in innovating, enhancing current products and developing or acquiring new products. Emerging technologies can disruptively change the competitive landscape and can permit new and strong competitors to emerge or allow existing competitors to strengthen their positions. Increased competition may impair our ability to maintain market share and may result in price reductions and reduced revenues and profit margins, any of which would harm our business.

Intellectual Property

Our success and ability to compete is dependent in part on our ability to develop and maintain the proprietary aspects of our technology without infringing the proprietary rights of others. We rely primarily on a combination of contract, patent, copyright, trademark and trade secret laws as well as other measures, including confidentiality agreements, to protect our proprietary information. Existing copyright laws afford only limited protection. We cannot guarantee that these protections will be adequate or that our competitors will not independently develop technologies that are substantially equivalent or superior to our technology. In addition, the laws of certain countries in which our software products are or may be licensed do not protect our software products and intellectual property rights to the same extent as the

laws of the United States. As of March 31, 2002, we had 6 issued patents and 22 pending patents with the U.S. Patent and Trademark Office.

We integrate third-party software into certain of our products. In particular, we license the following software, which is incorporated into MicroStation:

- the Parasolids solids modeling library from Unigraphics Solutions, Inc., a subsidiary of Electronic Data Systems Corporation, which license expires in October 2005; and
- the OpenDWG toolkit from the OpenDWG Alliance, which is subject to a perpetual license.

We may not be able to renew these or other third-party licenses or to develop or purchase alternative technology. Even if licenses for third-party software or licenses for alternative technology are available to us, they may not be available on commercially reasonable terms. If we cannot maintain or acquire licenses for important third-party software or develop or license similar technology on a timely or commercially reasonable basis, our business, financial condition and operating results will be seriously harmed.

We do not believe our software products, third-party software products we offer under sublicense agreements, our trademarks or our other proprietary rights infringe the proprietary rights of third parties. However, we cannot guarantee that third parties will not assert infringement claims against us with respect to current or future software products or that any such assertion may not require us to enter into royalty arrangements or result in costly litigation.

Our license agreements with our users contain provisions designed to limit the exposure to potential product liability claims. It is possible, however, that the limitation of liability provisions contained in these license agreements may not be valid as a result of future federal, state or local laws or ordinances or unfavorable judicial decisions. Although we have not experienced any material product liability claims to date, the license and support of our software for use in mission critical applications creates the risk of a claim being successfully pursued against us. Damages or injunctive relief resulting under such a successful claim could seriously harm our business.

Employees

As of March 31, 2002, we had 1,145 full time employees, including 507 in sales and marketing, 333 in research and development, 214 in professional services and user support and 91 in administration. Our performance depends in significant part on our ability to attract, train and retain highly qualified personnel. None of our employees are represented by a labor union and we believe that our relations with our employees are good.

Facilities

Our corporate headquarters and executive offices are in Exton, Pennsylvania, where we own two adjacent office buildings aggregating approximately 78,000 square feet. We also lease a European regional headquarters in Hoofddorp, The Netherlands. We believe our current facilities are adequate for our needs for the foreseeable future.

Legal Proceedings

From time to time we become involved in litigation arising out of operations in the normal course of business. As of the date of this prospectus, we do not believe the outcome of any pending legal proceeding of which we are a party will have a material adverse effect on our operating results or financial position.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information with respect to our directors and executive officers as of March 31, 2002:

Name	Age	Position
Greg Bentley	46	Chief Executive Officer, President and Chairman of the Board
Keith A. Bentley	43	Director and Co-Chief Technology Officer
Barry J. Bentley, Ph.D.	45	Director and Co-Chief Technology Officer
Alton B. (Buddy) Cleveland, Jr.	52	Senior Vice President, General Manager, Bentley Software
Ted Lamboo	44	Senior Vice President, International Operations
David G. Nation	49	Senior Vice President of Corporate Affairs, General Counsel and Secretary
Malcolm S. Walter	48	Chief Financial Officer, Senior Vice President and Head of Field Operations
Kirk B. Griswold	40	Director
Jay D. Seid	41	Director

Greg Bentley has served as President and Chairman of the Board since June 1996 and Chief Executive Officer since August 2000. Prior to joining us in 1991, Mr. Bentley founded and served as Chief Executive Officer of Devon Systems International, Inc., a provider of financial trading software. In 1987, that company was acquired by SunGard Data Systems, Inc., a New York Stock Exchange listed information technology provider. Mr. Bentley continues to serve as a director of SunGard and a member of its Audit Committee. Mr. Bentley holds a bachelor's degree in Decision Sciences and a M.B.A. in Finance from the Wharton School of the University of Pennsylvania.

Keith A. Bentley is one of our co-founders and has served as Co-Chief Technology Officer since March 2002 and prior thereto he served as Chief Technology Officer since August 2000. He has also served as a director and an executive officer since our inception in 1984. Mr. Bentley was our President until 1996 and our Chief Executive Officer until August 2000. He holds a bachelor's degree in Electrical Engineering from the University of Delaware and a M.A. in Electrical Engineering from the University of Florida.

Barry J. Bentley, Ph.D. is one of our co-founders and has served as Co-Chief Technology Officer since March 2002. He has served as a director and an executive officer since our inception in 1984. He served as Executive Vice President from June 1996 to March 2002 and is involved with the planning and development of our software products and technology. From September 1984 to June 1996, Dr. Bentley served as Chairman of the Board. His software development career dates back to 1979, when he co-founded and served as Vice President of Dynamic Solutions Corporation, a software firm. Dr. Bentley holds a bachelor's degree in Chemical Engineering from the University of Delaware and a M.S. and Ph.D. in Chemical Engineering from the California Institute of Technology.

Alton B. (Buddy) Cleveland, Jr. has served as Senior Vice President and General Manager of Bentley Software since August 2000. Bentley Software is our division that is responsible for the strategic direction and management of all of our software products and development activities. From June 1999 to August 2000, Mr. Cleveland served as Senior Vice President of our Model Engineering Business Group. He originally joined us in December 1997 when we acquired Jacobus Technology, which he founded and served as its President from its inception in 1991 until June 1999. Before founding Jacobus Technology, Mr. Cleveland had a 20-year career with Bechtel Corporation, where he last served as Manager of Automation Technology. He holds a bachelor's degree in Engineering from Johns Hopkins University.

Ted Lamboo has served as Senior Vice President, International Operations since January 2000. In that capacity, he defines the overall strategy for expansion in regions outside North America, as well as ensuring continued local-language support for users from diverse countries. From September 1994 through December 1997, Mr. Lamboo served as Senior Vice President of Sales at Bentley Europe, Middle East and Africa and from January 1998 to January 2000 he served as President, Bentley Asia/ Pacific. Previously, Mr. Lamboo served for 13 years at Intergraph Europe, the European headquarters of Intergraph Corporation. He holds a M.S. in Geodetic Engineering from the University of Utrecht in the Netherlands and several post-graduate diplomas in Computer Engineering and Development.

David G. Nation has served as Senior Vice President of Corporate Affairs, General Counsel and Secretary since December 1995. In addition to his management of our legal affairs, Mr. Nation supervises our human resources department and much of our business development and financial activities. Previously, he was Senior Vice President and General Counsel of Continental Medical Systems, Inc., a New York Stock Exchange listed company. Prior to 1991, he was a partner at the law firm of Drinker Biddle & Reath LLP. He holds a bachelor's degree from the Wharton School of the University of Pennsylvania and a J.D. from Boston University School of Law.

Malcolm S. Walter has served as Chief Financial Officer and Senior Vice President since October 1999 and Head of Field Operations since March 2002. In addition to his duties as CFO, he has had responsibility for the functions of a chief operating officer for our global sales and marketing organization since August 2000. He also manages certain back office functions supporting our sales organization and operations. In the four years prior to his joining us in October 1999, Mr. Walter was Chief Financial Officer for R&B, Inc., a Nasdaq listed company and a worldwide distributor of automotive parts for aftermarket repair. Previously, Mr. Walter held positions in finance and operations with several technology companies. Mr. Walter is a CPA and worked for Arthur Andersen for six years. He holds a bachelor's degree in Accounting and Computer Science from the Wharton School of the University of Pennsylvania.

Kirk B. Griswold has served as a director since April 2002. Mr. Griswold co-founded and has served as a Partner since May 1996 of Argosy Investment Partners, L.P., an investment company specializing in small and lower middle market companies. Since November 1990, he also has served as Managing Director of Odyssey Capital Group, L.P., a private investment fund affiliated with Argosy Investment Partners, L.P. Mr. Griswold holds a bachelor's degree in Physics from the University of Virginia and a M.B.A. in both Management and Finance from the Wharton School of the University of Pennsylvania.

Jay D. Seid has served as a director since June 1999. Mr. Seid has been a Managing Director of Bachow & Associates, Inc. since May 1997. From December 1992 through May 1997, he was a Vice President of Bachow & Associates, Inc. Previously, Mr. Seid practiced corporate law at Wolf, Block, Schorr & Solis-Cohen. Mr. Seid currently serves on the board of directors of Paradigm Geophysical Ltd. and Berger Holdings, Ltd. He holds a bachelor's degree in Business Administration, Economics and Art History from Rutgers University and his J.D. from New York University School of Law.

Messrs. Greg, Keith and Barry Bentley are brothers. Raymond and Richard Bentley, who work at our company, are also brothers of Greg, Keith and Barry Bentley.

Executive Committee

We have an Executive Committee that meets periodically to set overall policies and strategies and to make key decisions regarding our operations and technology development priorities. The Executive Committee is not a committee of our board of directors. Messrs. Greg, Keith and Barry Bentley and Messrs. Cleveland, Lamboo, Nation and Walter are members of the Executive Committee.

Board of Directors

Our board of directors currently consists of five directors. At the closing of this offering, our board of directors will be divided into three classes serving staggered three-year terms. Each year, the directors of

one class will stand for election as their terms of office expire. Barry Bentley and Jay Seid will serve as Class I directors with their terms of office expiring in 2003; Keith Bentley and Kirk Griswold will serve as Class II directors with their terms of office expiring in 2004; and Greg Bentley will serve as a Class III director with his term of office expiring in 2005. The board plans to appoint an additional independent director within 12 months after the closing of this offering to serve as a Class III director. At each annual meeting of stockholders after the initial classification of the board of directors, the successors to directors whose terms will then expire will be elected to serve from the time of their election until the third annual meeting of stockholders following such election.

Board Committees

Prior to this offering all of our directors were members of the audit committee. Following this offering, our board of directors will establish an audit committee and compensation committee whose members will not be our employees or be affiliated with management. In keeping with New York Stock Exchange listing requirements, our board of directors will adopt a charter for our audit committee. We will file this charter at least once every three years as an appendix to our annual proxy statement that we file with the Securities and Exchange Commission.

The functions of the audit committee will initially be to:

- review quarterly and annual financial statements;
- evaluate and recommend to our board of directors the firm of independent public accountants to be appointed as our auditors, which firm will be ultimately accountable to our board of directors through the audit committee;
- review and discuss with the outside auditors their audit procedures, results, scope, fees and timing of the audit;
- review the written statements from the outside auditors concerning any relationships between the auditors and us or the provision of non-audit services, including information technology and other non-audit services, that may adversely affect the independence of the auditors and, based on such review and other factors, assess the independence of the outside auditors;
- review and discuss with our management and the outside auditors our financial statements and our auditors' judgment as to the quality of our accounting practices, principles and internal controls;
- review and discuss with management and the outside auditors: (a) any material financial or non-financial arrangements we have which do not appear on our financial statements; and (b) any transactions or courses of dealing with parties related to us which are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties and which arrangements or transactions are relevant to an understanding of our financial statements;
- review and discuss with management and the outside auditors the accounting policies that may be viewed as critical and any significant changes in our accounting policies and proposals that may have a significant impact on our financial reports;
- review material pending legal proceedings involving us and other contingent liabilities; and
- review the appropriateness of the audit committee charter on an annual basis.

As required by the New York Stock Exchange, we plan to appoint another independent director as a member of the audit committee within 12 months following this offering.

Director Compensation

We historically have not compensated our directors for serving on the board. After this offering, we will provide annual cash compensation to each non-employee director of $15,000 plus $2,000 to audit and

compensation committee members for each committee meeting attended. Under our 2002 stock option plan for non-employee directors, each of our non-employee directors will receive an automatic annual grant of an option to purchase 5,000 shares of our common stock. See "*— Benefit Plans — 2002 Stock Option Plan for Non-Employee Directors*."

Executive Compensation

The following table shows information concerning compensation paid in the year ended December 31, 2001 to our (1) Chief Executive Officer, (2) our Co-Chief Technology Officers, (3) the remaining members of our Executive Committee and (4) two highly compensated non-executive employees.

Summary Compensation Table

		Annual Compensation(1)			Long-Term Compensation	
Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation(2)	Securities Underlying Options	All Other Compensation(3)
Greg Bentley* Chief Executive Officer, President and Chairman	2001	$200,000	$1,073,000(4)	$68,534	—	$6,800
Keith A. Bentley* Co-Chief Technology Officer	2001	200,000	1,073,500(4)	68,534	—	6,800
Barry J. Bentley, Ph.D.* Co-Chief Technology Officer	2001	200,000	1,073,000(4)	68,534	—	6,800
Alton B. (Buddy) Cleveland, Jr.* Senior Vice President and General Manager of Bentley Software	2001	180,000	121,253(5)	—	40,000	6,800
Ted Lamboo* Senior Vice President, International Operations	2001	129,022	206,462(5)	—	30,700	—
David G. Nation* Senior Vice President of Corporate Affairs, General Counsel and Secretary	2001	275,000	257,902(5)	34,267	50,000	6,172
Malcolm S. Walter* Chief Financial Officer, Senior Vice President and Head of Field Operations	2001	243,750	194,001(5)	—	40,000	6,800
Raymond B. Bentley	2001	200,000	716,167(4)	34,267	—	6,800
Richard P. Bentley	2001	200,000	357,333(4)	34,267	—	6,800

* Member of the Executive Committee.

(1) With respect to each of the persons listed on the "Summary Compensation Table," the aggregate amount of perquisites and other personal benefits, securities or property received was less than either $50,000 or 10% of the total annual salary and bonus reported for such persons.

(2) Amounts listed represent interest paid in August 2001 in connection with an aggregate of $5.1 million of deferred compensation earned in 1999. Interest on the deferred compensation is at the rate of 6% per annum and is paid annually. The deferred compensation will be paid six months after this offering. See "*Certain Relationships and Related Transactions — Transactions with Executive Officers.*"

(3) Amounts listed represent matching contributions to our profit sharing/401(k) plan.

(4) Amounts listed represent aggregate incentive compensation for all five Bentley brothers, generally based on 20%, of operating cash earnings.

(5) Amounts listed represent quarterly bonuses under our Executive Incentive Plan. See "*Benefit Plans — Executive Incentive Plan*." Mr. Lamboo was also paid incentive compensation based on the performance of our international sales organization.

Option Grants in Last Fiscal Year

The following table sets forth information regarding grants of stock options during fiscal year 2001 to each of the executive officers named in the Summary Compensation Table. None of the Bentleys have ever been granted options to purchase our stock.

	Individual Grants					
					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(3)	
Name	Number of Shares of Common Stock Underlying Options Granted(1)	Percentage of Total Options Granted to Employees in FY2001(2)	Exercise Price Per Share	Expiration Date	5%	10%
Alton B. (Buddy) Cleveland, Jr.	40,000	2.8%	$6.12	11/26/2011		
Ted Lamboo	30,700	2.2	6.12	11/26/2011		
David G. Nation	50,000	3.5	6.12	11/26/2011		
Malcolm S. Walter	40,000	2.8	6.12	11/26/2011		

(1) These options vest annually over a four-year period beginning on November 27, 2002.

(2) Based on options to purchase 1,428,540 shares of our common stock granted during the fiscal year ended December 31, 2001.

(3) Potential realizable values are computed by: (i) multiplying the number of shares of common stock subject to a given option by the initial public offering price of $, (ii) assuming that the aggregate stock value derived from that calculation compounds at the annual 5% and 10% rates shown in the table over the term of the options, and (iii) subtracting from that result the aggregate option exercise price. The potential realizable values do not take into account applicable tax expense payments that may be associated with such option exercises. The assumed 5% and 10% rates of stock price appreciation are provided in accordance with rules of the Securities and Exchange Commission and do not represent our estimate or projection of the future stock price. Actual realized value, if any, will be dependent on the future price of the common stock on the actual date of exercise, which may be earlier than the stated expiration date.

Fiscal Year-End Option Values

None of the executive officers or non-executive employees named in the Summary Compensation Table exercised options during fiscal year 2001. The following table sets forth the number and value of shares underlying unexercised options held as of December 31, 2001.

	Number of Shares Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-the-Money Options at Fiscal Year-End(1)	
Name	Exercisable	Unexercisable	Exercisable	Unexercisable
Alton B. (Buddy) Cleveland, Jr.	27,250	47,750		
Ted Lamboo	48,000	43,200		
David G. Nation	68,630	67,500		
Malcolm S. Walter	15,000	55,000		

(1) There was no public trading market for our common stock as of December 31, 2001. Accordingly, as permitted by the rules of the Securities and Exchange Commission, these values have been calculated on the basis of the assumed initial public offering price per share of $ minus the relevant exercise price.

Employment Agreements

Prior to this offering, we plan to enter into employment agreements with each of Greg, Keith, Barry and Raymond Bentley. The employment agreements will be effective upon the closing of this offering. Under the employment agreements, these employees will be entitled to annual base salaries and will participate in performance-based bonus arrangements based generally on the level of operating income achieved versus an annual target established by our board of directors.

Under their respective employment agreements, if the employment of either Greg, Keith, Barry or Raymond Bentley is terminated by us without cause or if they terminate for good reason, the terminated employee will be entitled to receive a lump sum severance payment equal to two times (three times, if the termination follows a change in control of our company) their base salary and target bonus for the year in which the termination occurs. In addition, we plan to adopt a supplemental executive retirement program for each of Greg, Keith, Barry and Raymond Bentley. Under this program, each of them will be eligible to receive an annual retirement benefit related to their age and an agreed percentage of their average base salary and bonus compensation under the agreements.

Each of Greg, Keith and Barry Bentley will also be granted, upon the completion of this offering, performance-accelerated stock options to purchase shares of our common stock. The per share exercise price for each share underlying the options will be equal to the per share initial public offering price for our shares under this offering. The options will become vested if the grantee is still employed by us five years after the grant date, subject to acceleration of vesting upon achievement of certain performance-based targets relating to our earnings growth. If Greg, Keith or Barry Bentley are terminated by us without cause or if they terminate for good reason, all of their performance-accelerated stock options will become 100% vested and exercisable, and the options will remain exercisable for one year after termination.

Compensation Committee Interlocks and Insider Participation

Greg, Keith and Barry Bentley participated in deliberations relating to executive compensation in 2001. None of our executive officers serve as a member of the board of directors or compensation committee of any entity that has an executive officer serving as a member of our board of directors or compensation committee.

Benefit Plans

2002 Stock Option Plan for Employees

We intend to adopt the 2002 stock option plan for employees to attract and retain capable employees and to provide an inducement to such personnel, through share ownership in our company, to promote the best interest of the company. Under the 2002 stock option plan for employees, we will be authorized to issue incentive stock options and non-qualified stock options to purchase up to 2,000,000 shares of our common stock. As of January 1 of each year, additional shares will be made available under the 2002 stock option plan for employees — for non-qualified stock options only — as necessary to keep the sum of (i) the number of shares that remain available for options under the 2002 stock option plan for employees plus (ii) the number of shares subject to outstanding options in the aggregate under our 1995, 1997 and the 2002 stock option plans for employees at 15% of the outstanding common stock as of such January 1 of such year.

The 2002 stock option plan for employees will be administered by the compensation committee consisting of at least two non-employee directors appointed by our board of directors. The committee will have full authority, subject to the terms of the 2002 stock option plan for employees, to select optionees, to determine the terms and conditions of options, and generally to administer the plan. We intend for the options of non-executive-officer employees to be subject to time-based vesting.

We intend to issue performance accelerated stock options, or PASOs, which may be incentive stock options or non-qualified stock options, to certain of our executive officers once each year. We expect that the performance period of each PASO will be at least one year. We also expect that the term of the

PASO will be ten years, with options vesting five years after the date of grant, except that vesting under a PASO will be accelerated upon achievement of stated financial performance goals.

Under the plan, options may be granted for terms of up to ten years at an exercise price per share determined by the committee, but which will not be less than their fair market value as of the grant date. Incentive stock options will be subject to additional limitations required to comply with the Internal Revenue Code, such as requirements that:

- the exercise price per share of an incentive stock option granted to a person who owns more than 10% of our voting stock cannot be less than 110% of the fair market value of the optioned shares on the date of the grant and the term of the incentive stock option cannot be more than five years;

- the aggregate fair market value, determined at the time the option is granted, of the shares with respect to which incentive stock options are exercisable for the first time by any optionee during any calendar year may not exceed $100,000; and

- an incentive stock option may not be assignable or transferable by an optionee other than by will or the laws of descent and distribution.

2002 Stock Option Plan for Non-Employee Directors

We intend to adopt the 2002 stock option plan for non-employee directors in order to align more closely the interests of our non-employee directors with our stockholders. Under the 2002 stock option plan for non-employee directors, we will be authorized to issue to our directors who are not our employees, non-qualified stock options to purchase up to 100,000 shares of our common stock. The plan will provide for an automatic annual grant to each non-employee director of an option to purchase 5,000 shares of our common stock. The compensation committee will administer the 2002 stock option plan for non-employee directors. The exercise price per share of options granted under the 2002 stock option plan for non-employee directors will be at least 100% of the fair market value of our common stock on the grant date, and the options generally will expire 10 years from the grant date unless extended in the committee's discretion. Options granted under the plan generally will vest 20% on the date of grant and 20% each year for the next four years.

1997 Stock Option Plan

The 1997 stock option plan permits our board of directors to grant to our employees non-qualified stock options and incentive stock options for the purchase of our common stock. We have reserved 3,800,000 shares of common stock for issuance under the 1997 stock option plan, of which 3,393,816 shares of common stock were issuable upon the exercise of stock options outstanding as of March 31, 2002. No further options will be granted under the 1997 stock option plan after the closing of this offering but all options outstanding under the plan will remain in full force and effect. Options granted under the 1997 stock option plan vest over four years and generally terminate on the tenth anniversary of the date of grant.

1995 Stock Option Plan

The 1995 stock option plan permits our board of directors to grant to our employees non-qualified stock options for the purchase of our common stock. We have reserved 1,075,080 shares of common stock for issuance under the 1995 stock option plan, of which 564,130 shares were issuable upon the exercise of stock options outstanding as of March 31, 2002. No further options will be granted under the 1995 stock option plan but all options outstanding under the plan will remain in full force and effect. Options granted under the 1995 stock option plan generally vest over four years and terminate on either January 31, 2004 or November 13, 2006.

Profit Sharing/401(k) Plan

We maintain a qualified profit sharing/401(k) plan for the benefit of substantially all full-time employees in the United States with six months of service. Under the plan, eligible employees may elect to make salary deferral contributions of their annual compensation, subject to certain statutory limitations. We make matching contributions to the 401(k) portion of our plan and may make discretionary contributions to the profit sharing portion of our plan up to a maximum of 6% of qualified annual compensation for each eligible participating employee. Each employee's right to the matching and discretionary contributions made to their profit sharing plan/401(k) account are subject to vesting. The vesting period, which commences upon the beginning of the employee's service with us, is four years.

Discretionary contributions under the plan may be made in cash or stock, at the election of our board of directors. As of March 31, 2002, we had issued 355,626 shares of our Class B common stock to the trustee of the plan for the accounts of our U.S. employees.

We also maintain various retirement benefit plans for employees of our international subsidiaries, primarily defined contribution plans.

Executive Incentive Plan

The members of our Executive Committee identified above, other than Greg, Barry and Keith Bentley, are paid quarterly bonuses as a percentage of their cash compensation. The percentage is computed under a formula based generally on our achievement of our budgeted cash operating earnings as a percentage of net revenues for the quarter.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with Intergraph

At December 31, 2001, Intergraph Corporation, a publicly traded company (NASDAQ: INGR) and a stockholder of our company since 1987, owned approximately 29% of our fully diluted common stock. Intergraph currently distributes our products on a non-exclusive basis. Revenues from Intergraph aggregated 4.4%, 2.3% and 2.4% of total revenues in 1999, 2000 and 2001, respectively.

During 1999, we and Intergraph entered into a number of agreements to settle pending disputes. Under the settlement agreements, among other things, Intergraph paid us approximately $13.7 million, transferred to us 3,000,000 shares of our Class A common stock and agreed to terminate its use of our proprietary plotting libraries in all Intergraph products. In connection with one of the settlement agreements, we granted Intergraph registration rights that allow them to sell shares of our common stock in this offering.

On December 26, 2000, we purchased the civil engineering, plot-services and raster-conversion software product lines from Intergraph for an initial purchase price of approximately $24.6 million. At the closing, we paid approximately $13.5 million in cash and delivered a promissory note for approximately $11.1 million, which is payable in equal quarterly installments over a three-year period. The note bears interest at an annual rate of 9.5%. The principal amount of the note was subject to adjustments based on transferred and renewal maintenance revenues related to the software product lines that we acquired from Intergraph. The principal amount of the note was adjusted upward as of June 1, 2001 to $13.2 million and again as of December 1, 2001 to $17.2 million. As adjusted, the total purchase price was $35.4 million. The principal balance of the note as of March 31, 2002 was approximately $15.2 million. The Bentley SELECT contracts and the revenues from those contracts, to the extent related to the acquired product lines, secure our payment of the note to Intergraph Corporation. We plan to repay this note with a portion of the net proceeds of this offering.

Transactions with Executive Officers

Between 1987 and 1994, we were owned 50% by Greg, Keith, Barry, Raymond and Richard Bentley, on the one hand, and 50% owned by Intergraph, on the other hand, and Intergraph had the exclusive worldwide right to distribute all our products. During that period, one-third of the royalties from Intergraph under the exclusive distribution agreement was paid as bonuses to Greg, Keith, Barry, Raymond and Richard Bentley. Upon settlement of an arbitration with Intergraph in 1999, in which we sought to recover due but unpaid royalties for the period between 1987 and 1994, bonuses based on the unpaid royalties received in the settlement, net of arbitration costs, were paid to the Bentleys and David Nation. In the aggregate, those bonuses consisted of $0.9 million in cash and deferred compensation arrangements under which an aggregate $5.1 million payment will be made six months after the completion of this offering. Interest on the deferred compensation is at the rate of 6% per annum and is paid annually.

On August 6, 1999, we sold an aggregate of 1,000,000 shares of our Class A common stock to Greg, Keith, Barry, Raymond and Richard Bentley and David Nation for an aggregate purchase price of $5.1 million. In connection with this purchase, we loaned them an aggregate of $5.1 million. All of the these loans are evidenced by full recourse promissory notes and become due and payable six months after the closing of this offering. Interest on the notes at 6% per annum is paid annually. As of December 31, 2001, an aggregate principal amount of $5.1 million was outstanding under the notes.

On December 26, 2000, we entered into a $32 million Revolving Credit and Security Agreement with PNC Bank, National Association and Citibank N.A. As a condition to the agreement with the banks, each of Greg, Keith and Barry Bentley and their spouses executed agreements in favor of PNC Bank and Citibank to personally guarantee, and pledged personal assets to secure the guarantees, up to $7.5 million of our obligations under the revolving line of credit. In consideration for executing the guaranty agreements, we issued to the guarantors warrants to purchase up to an aggregate of 579,984 shares of

Class B common stock and agreed to lend them the estimated amount of their income taxes due on the value of the compensation for the guarantees represented by those warrants. The warrants expire on December 26, 2010. The guarantees were released in July 2001. In connection with the guarantee and our tax loan promise, we loaned Greg Bentley and his spouse $229,400 on January 14, 2002. The loan bears interest at an annual rate of 6% and will become due and payable six months after the completion of this offering.

The exercise price for each of the warrants to purchase Class B common stock issued to Greg, Keith and Barry Bentley in connection with the bank guaranty agreements is equal to the initial public offering price per share of our common stock less a discount. The discount on the exercise price was initially 20% and increases by 10% per year on a straight line basis over a five-year period beginning on December 26, 2001, up to a maximum discount of 70%. As of March 31, 2002, the discount was 22.6%. These warrants will be automatically exercised, on a net issuance basis, immediately prior to the closing of this offering.

On December 26, 2000, we sold an aggregate of 75,000 shares of Senior Class C common stock and warrants to purchase an aggregate of 1,040,000 shares of Class B common stock. This equity was required as a condition to the revolving credit and security agreement and the proceeds were used to fund our acquisition of product lines from Intergraph. In that transaction, Greg Bentley purchased 27,500 shares of our Senior Class C common stock and warrants to purchase approximately 381,333 shares of our Class B common stock for a purchase price of $2.75 million and each of Keith Bentley and Barry Bentley purchased 5,000 shares of our Senior Class C common stock and warrants to purchase approximately 69,333 shares of our Class B common stock for a purchase price of $0.5 million. The balance of the offering of 37,500 shares of Senior Class C common stock and warrants to purchase up to 520,000 shares of Class B common stock were purchased by third party investors for an aggregate purchase price of $3.75 million. The warrants expire on December 26, 2010. The Senior Class C common stock accrues quarterly dividends and we are obligated, subject to certain conditions under our revolving credit and security agreement, to pay 45 days following the end of the quarter, one-half of the quarterly dividend accrual and may pay the other half at the discretion of our board of directors.

On July 2, 2001, Malcolm Walter, our Chief Financial Officer, Senior Vice President and Head of Field Operations, purchased 1,000 shares of our Senior Class C common stock and warrants to purchase 13,867 shares of our Class B common stock for a purchase price of $0.1 million. At the same time, an additional 25,000 shares of Senior Class C common stock and warrants to purchase up to 346,667 shares of Class B common stock were purchased by a third party investment firm. The warrants expire on July 2, 2011.

The exercise price for each of the warrants to purchase Class B common stock issued to Greg, Keith and Barry Bentley and Malcolm Walter is equal to the initial public offering price per share of our common stock less a discount. For each warrant, the discount on the exercise price was initially 0% and increases by 10% per year on a straight line basis over a five-year period beginning on the first anniversary of its sale up to a maximum discount of 50%. As of March 31, 2002, the discount on the warrants sold on December 26, 2000 was 2.6% and the discount on the warrants sold on July 2, 2001 was 0%. These warrants will be automatically exercised, on a net issuance basis, immediately prior to the closing of this offering.

Other Transactions

On October 1, 2001, we entered into a Warehouse and Shipping Outsourcing Agreement with VideoRay, LLC. Under the agreement, we outsource to VideoRay the warehousing and shipping services that we previously had conducted in-house. The outsourcing was desirable because of our diminishing needs for our warehouse and related services as a result of changes in our product distribution methods, from physical kits to electronic delivery. VideoRay also assumed the operation of and all lease payments for our warehouse in Exton, Pennsylvania. We pay VideoRay a monthly fee of $23,700 for these services and VideoRay assumes certain costs of operating the facility, including rent, warehouse-related occupancy

costs, payroll, medical and insurance expenses for our employees working under VideoRay's supervision to perform required services under the agreement and equipment maintenance and service and other costs. We may also pay an additional $1,000 per month in fees if telephone costs between the parties are separable. In addition, we reimburse VideoRay for carrier costs for shipments and certain other expenses. The warehouse agreement expires on December 31, 2002, although we have the right to terminate the agreement if we find an alternate source who can provide the services better or cheaper. All of the costs for these out-sourced services were previously borne by us. In connection with all the services provided under the warehouse agreement, we paid $0.3 million to VideoRay in 2001 for the portion of the year that the agreement was in force, including $0.2 million for carrier costs. Richard Bentley, one of our employees and a brother of Messrs. Greg, Keith and Barry Bentley, owns a 68% equity interest in VideoRay. We negotiated this agreement on an arms-length basis and believe that the terms of the agreement are at least as favorable as could have been obtained from an unaffiliated third party.

In connection with purchases of our securities, we have granted demand and piggyback registration rights to various directors, executive officers and stockholders in accordance with an Amended and Restated Information and Registration Rights Agreement dated December 26, 2000 and Joinders to the Amended and Restated Information and Registration Rights Agreement dated July 2, 2001 and September 18, 2001. See *"Description of Capital Stock — Registration Rights."*

Our certificate of incorporation and by-laws provide that we will indemnify our directors and executive officers and may indemnify our other officers and employees and other agents to the fullest extent permitted by law. See *"Description of Capital Stock — Limitation on Liability."*

We expect that all future transactions between us and our executive officers, directors or principal stockholders will be on terms no less favorable to us than could be obtained from unaffiliated third parties.

We maintain directors' and officers' liability insurance that provides our directors and officers with insurance coverage for losses arising from claims based on breaches of duty, negligence, error and other wrongful acts.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table shows information known to us with respect to the beneficial ownership of our common stock as of March 31, 2002 by:

- each person (or group of affiliated persons) known by us to be the owner of more than 5% of our outstanding common stock;
- the selling stockholder;
- each of our directors;
- each of our executive officers and the two non-executive officer employees listed on the Summary Compensation Table under *"Management — Executive Compensation";* and
- all of our directors and executive officers as a group.

The shares beneficially owned before this offering reflect the conversion of all outstanding convertible capital stock into our common stock and the issuance of shares of our common stock upon the automatic exercise of certain warrants, on a net issuance basis of March 31, 2002, held by our executive officers and others. The shares beneficially owned after this offering also reflect the issuance of shares of our common stock in connection with the acquisition of the remainder of Rebis and shares issued upon the closing of this offering.

Beneficial ownership is determined in accordance with rules of the Securities and Exchange Commission and includes generally voting power and/or investment power with respect to securities. Shares of common stock issuable upon the exercise of options currently exercisable or exercisable within 60 days after March 31, 2002 are deemed outstanding for purposes of computing the percentage beneficially owned by the person holding such options but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as otherwise noted, the persons or entities named have sole voting and investment power with respect to those shares shown as beneficially owned by them. Unless otherwise indicated, the principal address of each of the stockholders below is c/o Bentley Systems, Incorporated, 685 Stockton Drive, Exton, Pennsylvania 19341.

	Shares Beneficially Owned Before Offering		Number of Shares Being Offered	Shares Beneficially Owned After Offering	
Name of Beneficial Owner	Number	Percentage		Number	Percentage
Five Percent Stockholders and Selling Stockholder:					
Intergraph Corporation	7,810,000(1)(2)	%			%
Bachow Investment Partners III, L.P.	3,723,478(1)(3)		—		
Directors and Executive Officers:					
Greg Bentley	(1)		—		
Keith A. Bentley	(1)		—		
Barry J. Bentley, Ph.D.	(1)		—		
Alton B. (Buddy) Cleveland, Jr.	160,773(1)(4)		—		
Ted Lamboo	60,500(1)(5)		—		
David G. Nation	220,241(1)(6)		—		
Malcolm S. Walter	(7)		—		
Kirk D. Griswold	(8)				
Jay D. Seid	3,723,478(9)		—		
All executive officers and directors as a group (9 persons)	(10)		—		
Employees:					
Richard P. Bentley	1,655,397(1)		—		
Raymond B. Bentley	1,655,397(1)		—		

* Less than 1% of the outstanding common stock.

(1) On September 18, 1998, Bachow Investment Partners III, L.P. (Bachow) entered into a stock purchase agreement with us. In connection with that stock purchase agreement, we and Bachow entered into an escrow agreement pursuant to which 2,171,028 shares of our common stock were placed into escrow. On or before the end of the escrow period on September 18, 2002, such shares will be (i) released to Bachow Partners, or (ii) transferred to persons who were our stockholders at the time the stock purchase agreement was entered into on September 18, 1998, and who remain our stockholders as of September 18, 2002 (including those named below), or (iii) provided in part to Bachow Partners and the remainder to the other stockholders described in (ii), depending in each case on whether certain conditions have been met and based on formulae set forth in the escrow agreement. The formulae used to determine the number of shares to be distributed to the parties are based on our market value over the four-year period in relation to certain agreed upon targets. Bachow has voting power over the shares while held in escrow, and for purposes of this table, Bachow is deemed to beneficially own such shares. The shares held in escrow are excluded from the beneficial ownership amounts set forth in the table for our following stockholders as of September 18, 1998 who may be entitled to receive shares from the escrow: Intergraph Corporation, Greg, Keith, Barry, Richard and Raymond Bentley, Alton (Buddy) Cleveland, Jr., Ted Lamboo and David Nation.

(2) Intergraph Corporation’s address is One Madison Industrial Park, Huntsville, Alabama 35894-001.

(3) Includes 2,171,028 shares of common stock held pursuant to the escrow agreement described in Note 1 above. Bachow Investment Partners III, L.P is a limited partnership, of which Bala Equity L.P. is the general partner. The general partner of Bala Equity L.P. is Bala Equity, Inc., of which Paul Bachow is the sole stockholder and therefore may be deemed to have voting and investment power over these shares. The address of Bachow Investment Partners III, L.P. is 3 Bala Plaza East, Suite 502, Bala Cynwyd, PA 19004.

(4) Includes 29,000 shares issuable upon the exercise of outstanding options and 7,389 shares beneficially owned by his son.

(5) Includes 50,500 shares issuable upon the exercise of outstanding options.

(6) Includes 71,130 shares issuable upon the exercise of outstanding options and 8,000 shares beneficially owned by Mr. Nation and his spouse.

(7) Includes 15,000 shares issuable upon the exercise of outstanding options.

(8) Includes shares of common stock held by Argosy Investment Partners, L.P. Mr. Griswold is a partner of Argosy Investment Partners, L.P. and may be deemed to have voting or investment power with respect to these shares. Mr. Griswold does not own any shares individually and disclaims beneficial ownership of the shares owned by Argosy Investment Partners, L.P.

(9) Mr. Seid serves as a Vice President and on the management committee of Bala Equity, Inc., which has voting and investment power over the shares held by Bachow Investment Partners III, L.P. See Note 1 and Note 3 above. Accordingly, Mr. Seid may be deemed to beneficially own these shares.

(10) See Note 1 and Notes 4 through 9.

DESCRIPTION OF CAPITAL STOCK

General

Immediately prior to the closing of this offering and upon the filing of our amended and restated certificate of incorporation, our authorized capital stock will consist of 100,000,000 shares of common stock, par value $0.01 per share, 100,000 shares of Series B junior participating preferred stock, par value of $0.01 per share and 10,000,000 shares of undesignated preferred stock, par value $0.01 per share.

Our current authorized capital stock consists of 60,000,000 shares of Class A common stock, 30,000,000 shares of Class B common stock, 150,000 shares of Senior Class C common stock, 480,000 shares of Class D common stock and 1,552,450 shares of Series A preferred stock. As of December 31, 2001, there were 15, 19, 14 and 6 holders of record of our Class A common stock, Class B common stock, Senior Class C common stock and Class D common stock, respectively, and there was one holder of record of our Series A preferred stock. The conversion of the Senior Class C common stock is based upon a formula described in Note 11 to our Consolidated Financial Statements. Immediately prior to the closing of this offering, our Class A common stock will be redesignated as common stock and all of our other outstanding capital stock will be converted into our common stock.

The following summary description of our capital stock, certificate of incorporation and by-laws is not intended to be complete and assumes the filing immediately prior to the closing of this offering of an amended and restated certificate of incorporation and amended and restated by-laws substantially in the form to be filed as exhibits to the registration statement of which this prospectus is a part, and by provisions of the Delaware General Corporation Law.

Common Stock

After giving effect to the issuance of shares of our common stock at an assumed initial public offering price of $ per share and the reclassification and conversion of our capital stock, there will be shares of common stock outstanding. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by, the rights of holders of shares of any series of preferred stock that we may designate and issue in the future. See "*— Preferred Stock.*"

Holders of common stock are entitled to one vote per share on all matters submitted to a vote of holders of common stock. The holders of common stock do not have cumulative voting rights. The election of directors is determined by a plurality of votes cast and, except as otherwise required by law, our certificate of incorporation or by-laws, all other matters are determined by a majority of the votes cast. The common stock has no preemptive rights and is not convertible, redeemable or assessable. The holders of common stock are entitled to receive ratably such dividends, if any, as may be declared by the board of directors out of legally available funds, subject to any preferential dividend rights of outstanding preferred stock. Upon our liquidation, dissolution or the winding up of our affairs, after payment of all of our debts and liabilities and after payment of any liquidation preferences of then outstanding preferred stock, the holders of common stock will be entitled to receive a portion of all remaining assets that are legally available for distribution.

Preferred Stock

Undesignated Preferred Stock. Immediately following the offering, our board will have the authority to designate and issue up to 10,000,000 shares of preferred stock, in one or more series. By resolution of the board of directors and without any further vote or action by the stockholders, we have the authority, subject to certain limitations prescribed by law, to determine the number of shares of any class or series as well as the voting rights, preferences, limitations and special rights, if any, of the shares of any class or series, including dividend rights, dividend rates, conversion rights and terms, redemption rights and terms and liquidation preferences. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control over us.

Rights Plan. In addition, prior to the closing of this offering, we intend to adopt a stockholder rights agreement under which holders of common stock of record at the close of business on the date immediately preceding the closing of this offering will receive one right per share. Each right will entitle the holder to purchase one one-thousandth of a share of our Series B junior participating preferred stock at a purchase price to be determined by our board prior to the closing of this offering. Each one one-thousandth of a share of Series B junior participating preferred stock will have economic and voting terms equivalent to one share of our common stock. Until it is exercised, the right itself will not entitle the holder thereof to any rights as a stockholder, including the right to receive dividends or to vote at stockholder meetings. Prior to the closing of this offering, we intend to authorize 100,000 shares of Series B junior participating preferred stock for issuance in connection with our stockholder rights agreement.

The stockholder rights agreement is designed to protect stockholders in the event of unsolicited offers to acquire us and other coercive takeover tactics which, in the opinion of our board of directors, could impair its ability to represent stockholder interests. The provisions of the stockholder rights agreement may render an unsolicited takeover more difficult or less likely to occur or may prevent such a takeover, even though such takeover may offer our stockholders the opportunity to sell their stock at a price above the prevailing market rate and may be favored by a majority of our stockholders.

The description and terms of the rights will be set forth in a rights agreement. Although the material provisions of the stockholder rights agreement have been accurately summarized, the statements below concerning the rights agreement are not complete and in each instance reference is made to the form of rights agreement itself, a copy of which will be filed as an exhibit to the Registration Statement of which this prospectus forms a part. Each statement is qualified in its entirety by such reference.

Stockholder rights are not exercisable until the distribution date and will expire at the close of business on the tenth anniversary following the date of the agreement, unless earlier redeemed or exchanged by us. A distribution date would occur upon the earlier of the tenth business day:

- after the first public announcement by us or an acquiring person (as defined below) that a person or group of affiliated or associated persons (referred to as an acquiring person) has beneficial ownership of 15% or more of our outstanding common stock (the date of such announcement or communication is referred to as the stock acquisition date);

- or later if determined by our board, after the commencement or announcement of the intention to commence a tender offer or exchange offer that would result in a person or group becoming the beneficial owner of 15% of our outstanding common stock; or

- after a person becomes an adverse person, which is a person whose beneficial ownership of common stock exceeds an ownership limitation, set by the board after the board has determined that this person is accumulating stock for short-term personal gain or such ownership is or would likely cause a material adverse impact on our business or prospects.

If any person becomes an acquiring person or is deemed an adverse person, each holder of a stockholder right will be entitled to exercise the right and receive, instead of Series B junior participating preferred stock, common stock (or, in certain circumstances, cash, a reduction in purchase price, property or other securities of us) having a value equal to two times the purchase price of the stockholder right. All stockholder rights that are beneficially owned by an acquiring person, an adverse person or their transferee will become null and void.

If after the stock acquisition date or after our board has determined that a person is an adverse person, (1) we are acquired in a merger or other business combination or (2) 50% or more of our assets or earning power is sold or transferred, each holder of a stockholder right (except rights which previously have been voided as set forth above) will have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the purchase price of the right.

The purchase price payable, the number of one one-thousandth of a share of Series B junior participating preferred stock or other securities or property issuable upon exercise of rights and the number of rights outstanding, are subject to adjustment from time to time to prevent dilution or to avoid adverse tax consequences.

At any time until the earlier of (1) ten days following the stock acquisition time or such later time as the board may designate, or (2) the expiration of the stockholder rights agreement, we may redeem all the stockholder rights at a price of $0.001 per right. We may not redeem the rights in whole or in part while a person continues to retain the status of an adverse person. The stockholders rights agreement excludes all of the members of the Bentley family and their affiliates and associates from being an acquiring person or an adverse person. The stockholder rights agreement also exempts stockholders and their associates and affiliates who beneficially own 15% or more of the stockholder rights agreement voting stock on the record date for the rights until they first own less than 15% of the stock. Prior to this date, however, these exempted stockholders will be considered acquiring persons if they acquire any additional stockholder rights agreement voting stock then outstanding. At any time after a person has become an acquiring person and prior to the acquisition by such person of 50% or more of the outstanding shares of our common stock, we may exchange the stockholder rights, in whole or in part, at an exchange ratio of one share of common stock, or one one-thousandth of a share of Series B junior participating preferred stock (or of a share of a class or series of preferred stock having equivalent rights, preferences and privileges), per right.

Warrants

Immediately prior to the closing of this offering there will be outstanding warrants to purchase a total of 3,523,474 shares of our Class B common stock. Of these warrants, we have outstanding warrants to purchase 2,535,184 shares of Class B common stock which will be automatically exercised upon the closing of this offering. These warrants have a net issuance mechanism which, if exercised on March 31, 2002, would result in a net issuance of 158,116 shares. Immediately following the closing of this offering, the remaining warrants to purchase 988,290 shares of our common stock at an exercise price of $10.17 per share will remain outstanding. The warrants to be outstanding after the closing of this offering are held by PNC Bank, National Association and Citibank, N.A. If unexercised, these warrants will expire upon the earlier of the second anniversary of this offering or 90 days after we receive a notice of nonrenewal from PNC Bank and Citibank with respect to our revolving credit facility.

Exchangeable Shares of Preferred Stock of 9090-0960 Quebec Inc., a Canadian Subsidiary

On April 26, 2000, we agreed to acquire all of the outstanding stock of HMR Inc., a Quebec corporation that develops of high performance digital imaging software for the engineering market, through our indirect subsidiary 9090-0960 Quebec Inc. As part of that transaction, certain existing stockholders in HMR exchanged their shares for securities, known as exchangeable shares, of 9090-0960 Quebec. Holders of exchangeable shares are entitled to receive dividends equivalent to those provided to our Class B common stock, if any. Exchangeable shares are subject to adjustment for stock splits or combinations, reclassifications and other similar changes in our Class B common stock. Holders of the exchangeable shares are not entitled to vote or attend meetings of the stockholders of 9090-0960 Quebec or our company.

Holders of exchangeable shares also are entitled to retraction rights in the exchangeable shares. The retraction rights permit holders to require 9090-0960 Quebec to redeem at any time on up to two occasions all or a portion of their exchangeable shares on a one-for-one basis for our Class B common stock, plus all declared but unpaid dividends, if any. The exchangeable shares shall be automatically redeemed by 9090-0960 Quebec on December 31, 2002, unless the date of redemption is extended or accelerated by its board of directors The date of the automatic redemption may only be accelerated if fewer than 15% of the original exchangeable shares remain outstanding or if there is a change in control of 9090-0960 Quebec. In addition, holders of exchangeable shares have a put right for use on up to two occasions to require 9090-0952 Quebec Inc., our wholly owned subsidiary, to purchase all or a portion of

their exchangeable shares for our Class B common stock based on the same ratio as the retraction right. The put right is triggered, among other events, upon our or our Canadian subsidiary's insolvency or bankruptcy, failure to pay dividends otherwise payable and notification of our Canadian subsidiary's intent to redeem the exchangeable shares. As of December 31, 2001, there were 221,318 exchangeable shares outstanding.

Registration Rights

After the completion of this offering, certain of our stockholders, who originally purchased shares of our Series A preferred stock, Senior Class C common stock and warrants to purchase shares of Class B common stock, are entitled to rights with respect to the registration of shares of common stock under the Securities Act. Beginning 180 days after this offering, holders of these rights may require us on two occasions, subject to certain conditions and limitations, to file a registration statement under the Securities Act at our expense with respect to their shares of common stock. The rights to require registration terminate on the fourth anniversary of the closing of this offering. We are required to use our best efforts to effect such a registration, subject to conditions and limitations. In addition, holders of registrable securities are entitled to notice and to the inclusion of their shares of common stock, if we propose to register any of our securities under the Securities Act at any time subsequent to this offering, either for our own account or for the account of other stockholders exercising registration rights. These rights are subject to the right of the underwriters of an offering to limit the number of shares included in that registration under certain circumstances.

Upon the closing of our acquisition of the remainder of Rebis and the closing of this offering, stockholders of Rebis will be entitled to registration rights with respect to the registration under the Securities Act of shares of common stock received as part of their consideration. These holders are entitled to notice and inclusion of their shares of common stock if we propose to register any of our securities under the Securities Act either for our own account or for the account of other stockholders exercising their registration rights. These rights are subject to the right of the underwriters of an offering to limit the number of shares included in that registration under certain circumstances.

The description of the registration rights to be held by certain of our stockholders after this offering is not complete and is qualified by our amended and restated information and registration rights agreement and by a form registration rights agreement filed as an exhibit to the Purchase and Option Agreement among our company, Rebis and the stockholders of Rebis, each of which is attached as an exhibit to the Registration Statement of which this prospectus forms a part.

Limitation on Liability

Our certificate of incorporation limits or eliminates the liability of our directors or officers to us or our stockholders for monetary damages to the fullest extent permitted by the Delaware General Corporation Law, as amended (the DGCL). The DGCL provides that our directors are not personally liable to us or our stockholders for monetary damages for a breach of fiduciary duty as a director, except for liability:

- for any breach of such person's duty of loyalty;
- for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law;
- for the payment of unlawful dividends and some other actions prohibited by Delaware corporate law; and
- for any transaction resulting in receipt by such person of an improper personal benefit.

Our certificate of incorporation also entitles our directors to the benefits of all limitations on the liability of directors generally that now or hereafter become available under the DGCL. The certificate of

incorporation also contains provisions indemnifying our directors, officers and employees to the fullest extent permitted by the DGCL.

We maintain directors' and officers' liability insurance that provides our directors and officers with insurance coverage for losses arising from claims based on breaches of duty, negligence, error and other wrongful acts.

Certain Anti-Takeover Provisions

Some provisions of Delaware law and our amended and restated certificate of incorporation and by-laws that we intend to adopt prior to this offering contain provisions that could make the following transactions more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are intended to encourage persons seeking to acquire control of us to first negotiate with our board of directors. These provisions also serve to discourage hostile takeover practices and inadequate takeover bids. We believe that these provisions are beneficial because the negotiation they encourage could result in improved terms of any unsolicited proposal.

Undesignated Preferred Stock. Our board of directors has the ability to authorize undesignated preferred stock, which allows the board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any unsolicited attempt to change control of our company. This ability may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Stockholder Meetings. Our certificate of incorporation and by-laws provide that a special meeting of stockholders may be called only by our President, our Chief Executive Officer or by a resolution adopted by a majority of the members of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our by-laws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of our board of directors.

Election and Removal of Directors. Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. Once elected, directors may be removed only for cause and only by the affirmative vote of at least a majority of our outstanding common stock. For more information on the classified board, see "*Management — Board of Directors*." This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of the directors.

Delaware Anti-Takeover Statute. We are subject to Section 203 of the Delaware General Corporation Law which prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a Delaware corporation for three years following the date these persons become interested stockholders unless:

- the transaction is approved by the board of directors prior to the date that the interested stockholder attained such status;
- upon completion of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding those shares owned by persons who are officers and directors and certain employee stock plans; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer & Trust Company.

SHARES ELIGIBLE FOR FUTURE SALE

Sales of substantial amounts of our common stock in the public market after this offering could cause the market price of our common stock to fall and could affect our ability to raise equity capital on terms favorable to us.

Upon the closing of this offering, we will have shares of common stock outstanding, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options or warrants to purchase common stock. Of these shares, the shares of common stock being sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as such term is defined in Rule 144 under the Securities Act (Rule 144), may generally only be sold in compliance with the limitations of Rule 144 described below.

The remaining shares were issued and sold by us in private transactions, are restricted securities and may be sold in the public market only if registered under the Securities Act or if they qualify for an exemption from registration under Rules 144, 144(k) or 701 under the Securities Act, which rules are summarized below. Subject to the lock-up agreements described below and the provisions of Rules 144, 144(k) and 701, additional shares will be available for sale in the public market, subject in the case of shares held by affiliates to compliance with certain volume restrictions, as follows:

Date of Availability for Sale	Number of Shares
As of the date of this prospectus	
, 2002 (90 days after the date of this prospectus)	
, 2002 (180 days after the date of this prospectus)	
At various times thereafter upon expiration of applicable holding periods	

In addition, if all outstanding and vested options were fully exercised, shares would be available for sale 90 days from the date of this prospectus and an additional shares would be available 180 days from the date of this prospectus. Subject to compliance with certain volume restrictions, if all outstanding warrants were fully exercised, shares would be available for sale immediately following this offering.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who has beneficially owned shares of our common stock for at least one year is entitled to sell, within any three-month period, a number of shares that is not more than the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock on the New York Stock Exchange during the four calendar weeks before such sale, subject to the filing of a Form 144 with respect to such sale.

Sales under Rule 144 generally are also subject to manner of sale provisions, notice requirements and the availability of current public information about us.

Under Rule 144(k), a person who has not been one of our affiliates at any time during the three months before a sale and who has beneficially owned the restricted shares for at least two years, is entitled to sell the shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, any of our employees, consultants or advisors who purchased shares from us prior to the date of this prospectus under a stock

option plan or other written agreement can resell those shares 90 days after the date of this prospectus in reliance on Rule 144, but without complying with some of the restrictions, including the holding period, contained in Rule 144.

We have agreed with the underwriters that during the 180-day period following the date of this prospectus we will not file a Form S-8 registration statement under the Securities Act to register shares of common stock issued and issuable upon exercise of stock options granted by us. We intend to file the Form S-8 registration statement upon the expiration of the lock-up period. The Form S-8 registration statement will become effective immediately upon filing and shares covered by that registration statement will thereupon be eligible for sale in the public markets, subject to Rule 144 limitations applicable to affiliates.

Prior to this offering there has been no public market for our common stock and no predictions can be made regarding the effect, if any, that market sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock in the public market could adversely affect the prevailing market price.

All of our directors (other than Jay Seid), executive officers and warrant holders and substantially all holders of our outstanding common stock (other than Bachow Investment Partners III, L.P.), which hold in the aggregate shares of our common stock have agreed that they will not, without the prior written consent of Lehman Brothers Inc. and Deutsche Bank Securities Inc., sell or otherwise dispose of any shares of common stock or warrants to acquire shares of common stock during the 180-day period following the date of this prospectus. See *"Underwriting."*

After the closing of this offering, the holders of shares of our common stock will be entitled to certain rights with respect to the registration of such shares under the Securities Act. See *"Description of Capital Stock — Registration Rights."* Registration of such shares under the Securities Act would result in such shares, except for shares purchased by affiliates, becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of such registration.

UNDERWRITING

Under the underwriting agreement, which is filed as an exhibit to the registration statement relating to this prospectus, each of the underwriters named below, for whom Lehman Brothers Inc. and Deutsche Bank Securities Inc. (as joint bookrunning managers), SG Cowen Securities Corporation and First Union Securities, Inc. are acting as representatives, have agreed to purchase from us and the selling stockholder, on a firm commitment basis, subject only to the conditions contained in the underwriting agreement, the respective number of shares of common stock shown opposite its name below.

Underwriters	Number of Shares
Lehman Brothers Inc.	
Deutsche Bank Securities Inc.	
SG Cowen Securities Corporation	
First Union Securities, Inc.	
Total	

The underwriting agreement provides that the underwriters' obligations to purchase our common stock depend on the satisfaction of conditions contained in the underwriting agreement, which include:

- if any shares of common stock are purchased by the underwriters, then all of the shares of common stock the underwriters agreed to purchase must be purchased;
- if an underwriter defaults, purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated;
- the representations and warranties made by us and the selling stockholder to the underwriters are true;
- there is no material change in the financial markets; and
- we and the selling stockholder deliver customary closing documents to the underwriters.

Commissions and Expenses

The representatives have advised us and the selling stockholder that the underwriters propose to offer the common stock directly to the public at the initial public offering price presented on the cover page of this prospectus and to selected dealers, which may include the underwriters, at the initial public offering price less a selling concession not in excess of $ per share. The underwriters may allow and the selected dealers may reallow, a concession not in excess of $ per share to brokers and dealers. After the offering, the underwriters may change the offering price and other selling terms.

The following table summarizes the underwriting discounts and commissions we and the selling stockholder will pay. The underwriting discounts and commissions are equal to the initial public offering price per share, less the amount paid to us and the selling stockholder per share. The underwriting discounts and commissions equal % of the initial public offering price.

		Total	
	Fee per Share	Without Over-Allotment	With Over-Allotment
Underwriting discounts and commissions to be paid to the underwriters by us	$	$	$
Underwriting discounts and commissions to be paid to the underwriters by the selling stockholder			
Total	$	$	$

We estimate that the total expenses of the offering, including approximately $ in filing fees, $ in professional fees and expenses and $ for other fees and expenses, excluding underwriting discounts and commissions, will be approximately $ million.

Over-Allotment Option

We have granted to the underwriters an option to purchase up to an aggregate of shares of common stock, exercisable to cover over-allotments, if any, at the initial public offering price less the underwriting discounts and commissions shown on the cover page of this prospectus. The underwriters may exercise this option at any time until 30 days after the date of the underwriting agreement. To the extent the underwriters exercise this option, each underwriter will be committed, so long as the conditions of the underwriting agreement are satisfied, to purchase a number of additional shares proportionate to that underwriter's initial commitment as indicated in the preceding table.

Lock-Up Agreements

We and the selling stockholder have agreed that, without the prior written consent of Lehman Brothers Inc. and Deutsche Bank Securities Inc., neither we nor the selling stockholder will, directly or indirectly, offer, sell or dispose of any common stock or any securities that may be converted into or exchanged for any common stock for a period of 180 days from the date of this prospectus. All of our executive officers, directors (other than Jay Seid), warrant holders and substantially all holders of our outstanding common stock (other than Bachow Investment Partners III, L.P.), which hold in the aggregate shares of our common stock, have agreed under lock-up agreements not to, without the prior written consent of Lehman Brothers Inc. and Deutsche Bank Securities Inc., directly or indirectly, offer, sell or otherwise dispose of any common stock or any securities which may be converted into or exchanged or exercised for any common stock for a period of 180 days from the date of this prospectus.

Offering Price Determination

Prior to this offering, there has been no public market for our common stock. The initial public offering price has been negotiated between the representatives and us. In determining the initial public offering price of our common stock, the representatives considered:

- prevailing market conditions;
- our historical performance and capital structure;
- estimates of our business potential and earnings prospects;
- an overall assessment of our management; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

Indemnification

We and the selling stockholder have agreed to indemnify the underwriters against liabilities relating to the offering, including liabilities under the Securities Act and liabilities arising from breaches of the representations and warranties contained in the underwriting agreement, and to contribute to payments that the underwriters may be required to make for these liabilities.

Stabilization, Short Positions And Penalty Bids

The representatives may engage in over-allotment, stabilizing transactions, syndicate short covering transactions, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Securities Exchange Act of 1934:

- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number

of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any short position by either exercising their over-allotment option, in whole or in part, or purchasing shares in the open market.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specific maximum.

- Syndicate short covering transactions involve purchases of common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Listing

We plan to file an application for listing on the New York Stock Exchange under the symbol “BSS.” In connection with that listing, the underwriters have undertaken to sell the minimum number of shares to the minimum number of beneficial owners necessary to meet the New York Stock Exchange listing requirements.

Stamp Taxes

Purchasers of the shares of our common stock offered by this prospectus may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition of the offering price listed on the cover of this prospectus.

Offers And Sales In Canada

This prospectus is not, and under no circumstances is it to be construed as, an advertisement or a public offering of shares in Canada or any province or territory thereof. Any offer or sale of shares in Canada will be made only under an exemption from the requirements to file a prospectus or prospectus supplement and an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer or sale is made.

Directed Share Program

At our request, the underwriters have reserved up to shares, or 5% of our common stock offered by this prospectus, for sale under a directed share program. All of the persons purchasing the reserved shares must commit to purchase no later than the close of business on the day following the date of this prospectus. The number of shares available for sale to the general public will be reduced to the extent these persons purchase the reserved shares. Shares committed to be purchased by directed share participants that are not so purchased will be reallocated for sale to the general public in the offering. All sales of shares pursuant to the directed share program will be made at the initial public offering price set forth on the cover page of this prospectus.

Discretionary Sales

The underwriters have informed us that they do not intend to confirm sales to discretionary accounts that exceed 5% of the total number of shares of our common stock offered by them.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or selling group member's website and any information contained in any other website maintained by an underwriter or selling group member is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

First Union Securities, Inc., one of the underwriters, is an indirect, wholly owned subsidiary of Wachovia Corporation. Wachovia Corporation conducts its investment banking, institutional and capital markets businesses through its various bank, broker-dealer and nonbank subsidiaries (including First Union Securities, Inc.) under the trade name of Wachovia Securities. Any references to Wachovia Securities in this prospectus, however, do not include Wachovia Securities, Inc., member NASD/SIPC and a separate broker-dealer subsidiary of Wachovia Corporation and an affiliate of First Union Securities, Inc., which may or may not be participating as a selling dealer in the distribution of the securities offered by this prospectus.

LEGAL MATTERS

The validity of the issuance of the shares of common stock offered by this prospectus will be passed upon for us by Drinker Biddle & Reath LLP, Philadelphia, Pennsylvania. Certain legal matters in connection with this offering are being passed upon for the underwriters by Testa, Hurwitz & Thibeault, LLP, Boston, Massachusetts.

EXPERTS

The audited consolidated financial statements of Bentley Systems, Incorporated included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The audited financial statements of Geopak Corporation included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said reports.

The audited consolidated financial statements of Rebis included in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto and are included herein in reliance upon the authority of said firm as experts in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the Securities and Exchange Commission relating to the common stock offered by this prospectus. This prospectus does not contain all of the information provided in the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete and in each instance we refer you to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement, exhibits and schedules.

You may inspect a copy of the registration statement without charge at the public reference facility maintained by the SEC in Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain copies of all or any part of the registration statement from that facility upon payment of the prescribed fees. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. Upon completion of this offering, we will become subject to the informational and periodic reporting requirements of the Securities Exchange Act of 1934 and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Bentley Systems, Incorporated:

We have audited the accompanying consolidated balance sheets of Bentley Systems, Incorporated (a Delaware corporation) and subsidiaries as of December 31, 2000 and 2001, and the related consolidated statements of operations, redeemable convertible securities and stockholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bentley Systems, Incorporated and subsidiaries as of December 31, 2000 and 2001, and the results of their operations and their cash flows for each of the three years in the period then ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Philadelphia, Pennsylvania

March 11, 2002

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	December 31,		Pro Forma Stockholders' Equity (Note 1)
	2000	2001	
			(unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 6,437	$ 12,994	
Accounts receivable, net of allowance of $6,710 and $7,443	61,514	62,183	
Income tax receivable	2,300	2,059	
Deferred income taxes	6,041	6,133	
Prepaid and other current assets	7,202	4,378	
Total current assets	83,494	87,747	
Property and equipment, net	20,757	19,679	
Intangible assets, net of accumulated amortization of $9,436 and $13,897	31,718	49,665	
Investments in affiliates	2,407	2,122	
Other assets	2,094	2,525	
Total Assets	$140,470	$161,738	
LIABILITIES, REDEEMABLE CONVERTIBLE SECURITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Short-term borrowings	$ 17,623	$ 357	
Current maturities of long-term debt	5,084	9,774	
Accounts payable	6,441	8,273	
Accruals and other current liabilities	18,905	19,320	
Deferred subscriptions revenues	42,946	56,485	
Income taxes payable	2,407	2,684	
Total current liabilities	93,406	96,893	
Long-term debt	13,560	14,386	
Deferred income taxes	646	819	
Deferred subscriptions revenues	285	3,012	
Deferred compensation	5,265	5,261	
Redeemable convertible Series A preferred stock (liquidation value of $24,753)	19,298	24,753	—
Senior redeemable convertible Class C common stock	3,785	8,690	—
Redeemable convertible Class D common stock	—	5,910	—
Redeemable common stock warrants	529	1,740	—
Total liabilities and redeemable convertible securities	136,774	161,464	—
Commitments and contingencies (Note 15)			
Stockholders' equity:			
Class A and Class B Common Stock, par value $0.01; 90,000,000 shares authorized (actual), 100,000,000 shares authorized (pro forma); 24,937,224 and 24,959,724 shares issued, actual; shares issued, pro forma	250	250	
Additional paid-in capital	14,994	18,250	
Notes receivable from stockholders	(5,922)	(6,241)	
Other comprehensive loss	(6,797)	(7,632)	
Retained earnings	11,498	6,254	
Less — Treasury Stock; 2,003,750 and 2,031,750 shares at cost	(10,327)	(10,607)	
Total stockholders' equity	3,696	274	
	$140,470	$161,738	

The accompanying notes are an integral part of these consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

	Year Ended December 31,		
	1999	2000	2001
Revenues:			
Subscriptions	$ 90,915	$ 96,830	$ 123,642
Perpetual licenses	78,450	70,251	61,463
Services	12,854	13,143	17,505
Total revenues	182,219	180,224	202,610
Cost of revenues:			
Cost of subscriptions	31,366	29,682	25,476
Cost of perpetual licenses	19,403	17,718	13,095
Cost of services	12,636	12,207	16,110
Total cost of revenues	63,405	59,607	54,681
Gross profit	118,814	120,617	147,929
Operating expenses:			
Research and development	34,008	35,288	40,526
Selling and marketing	70,307	69,431	74,686
General and administrative	12,778	12,056	16,259
Amortization of acquired intangibles	2,475	2,682	6,487
Total operating expenses	119,568	119,457	137,958
Income (loss) from operations	(754)	1,160	9,971
Interest expense, net	(1,870)	(1,461)	(3,462)
Other income, net	695	—	188
Arbitration settlement, net (Note 4)	13,563	—	—
Income (loss) before income taxes	11,634	(301)	6,697
Provision for income taxes	4,227	859	2,612
Net income (loss)	$ 7,407	$ (1,160)	$ 4,085
Deemed dividends on redeemable convertible Series A preferred stock, Senior redeemable convertible Class C common stock and redeemable convertible Class D common stock	2,396	2,396	7,014
Cash Dividends on Senior redeemable convertible Class C Common Stock	—	—	2,315
Net income (loss) applicable to common stockholders	$ 5,011	$ (3,556)	$ (5,244)
Net income (loss) per share:			
Basic and Diluted	$ 0.22	$ (0.15)	$ (0.23)
Shares used in computing net income (loss) per share:			
Basic	22,658,837	22,981,646	23,161,495
Diluted	22,853,796	22,981,646	23,161,495
Unaudited pro forma net income per share:			
Basic			$
Diluted			$
Shares used in computing unaudited pro forma net income per share:			
Basic			
Diluted			

The accompanying notes are an integral part of these consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE SECURITIES AND STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Redeemable convertible securities							Stockholders' equity							
			Common Stock												
	Redeemable Convertible Series A Preferred Stock		Class C Senior Redeemable Convertible		Class D Redeemable Convertible		Redeemable Common Stock Warrants	Class A Class B		Additional paid-in capital	Notes Receivable from stockholders	Other comprehensive loss	Retained earnings	Treasury Stock		Total Stockholders' equity
	Shares	Carrying value	Shares	Carrying value	Shares	Carrying value		Shares	Par value					Shares	Amounts	
Balance as of December 31, 1998	1,552,450	$14,506	—	$ —	—	$ —	$ —	24,519,632	$245	$6,665	$ —	$(3,438)	$10,043	—	$ —	$ 13,515
Comprehensive income:																
Net income	—	—	—	—	—	—	—	—	—	—	—	—	7,407	—	—	7,407
Currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	(1,688)	—	—	—	(1,688)
Total comprehensive income												(1,688)	7,407			5,719
Issuance of Common Stock in connection with stock option exercise	—	—	—	—	—	—	—	33,750	1	85	—	—	—	—	—	86
Compensation recognized in connection with the extension of stock option expiration dates	—	—	—	—	—	—	—	—	—	1,032	—	—	—	—	—	1,032
Accretion of redemption value	—	296	—	—	—	—	—	—	—	—	—	—	(296)	—	—	(296)
Accrued dividend	—	2,100	—	—	—	—	—	—	—	—	—	—	(2,100)	—	—	(2,100)
Acquisition of treasury stock in connection with Intergraph arbitration settlement (see Note 4)	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,000,000)	(15,420)	(15,420)
Notes receivable and accrued interest from officers related to sale of treasury stock	—	—	—	—	—	—	—	—	—	—	(5,265)	—	—	1,000,000	5,140	(125)
Repurchase of Common Stock from terminated employee	—	—	—	—	—	—	—	—	—	—	—	—	—	(3,750)	(47)	(47)
Other	—	—	—	—	—	—	—	—	—	152	—	—	—	—	—	152
Balance as of December 31, 1999	1,552,450	16,902						24,553,382	246	7,934	(5,265)	(5,126)	15,054	(2,003,750)	(10,327)	2,516
Comprehensive income:																
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(1,160)	—	—	(1,160)
Currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	(1,671)	—	—	—	(1,671)
Total comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	(1,671)	(1,160)	—	—	(2,831)
Issuance of Common Stock in connection with Profit Sharing Plan contribution	—	—	—	—	—	—	—	63,568	1	387	—	—	—	—	—	388
Issuance of Common Stock in connection with stock option exercise	—	—	—	—	—	—	—	280,000	3	707	(621)	—	—	—	—	89
Tax benefit on option exercise	—	—	—	—	—	—	—	—	—	282	—	—	—	—	—	282
Issuance of Senior Redeemable Convertible Class C Common Stock and warrants to purchase 1,040,000 shares of Class B Common stock, net of costs	—	—	75,000	6,861	—	—	529	—	—	—	—	—	—	—	—	—
Beneficial conversion feature recorded in connection with issuance of Senior Redeemable Convertible Class C	—	—	—	(3,076)	—	—	—	—	—	3,076	—	—	—	—	—	3,076

Common Stock																
Issuance of warrants to purchase 988,290 shares of Class B Common Stock in connection with $32 million revolving credit facility	—	—	—	—	—	—	—	—	—	704	—	—	—	—	—	704
Issuance of Class B Common Stock, exchangeable shares and options in connection with the acquisition of HMR Inc.	—	—	—	—	—	—	—	40,274	—	1,904	—	—	—	—	—	1,904
Accretion of redemption value on Redeemable Convertible Series A Preferred Stock	—	296	—	—	—	—	—	—	—	—	—	—	(296)	—	—	(296)
Accrued dividend on Redeemable Convertible Series A Preferred Stock	—	2,100	—	—	—	—	—	—	—	—	—	—	(2,100)	—	—	(2,100)
Accrued interest due from officers and employees, net of cash received for interest	—	—	—	—	—	—	—	—	—	—	(36)	—	—	—	—	(36)

The accompanying notes are an integral part of these consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE SECURITIES AND STOCKHOLDERS' EQUITY — (Continued)
(in thousands, except share data)

	Redeemable convertible securities							Stockholders' equity							
			Common Stock												
	Redeemable Convertible Series A Preferred Stock		Class C — Senior Redeemable Convertible		Class D — Redeemable Convertible		Redeemable Common Stock Warrants	Class A Class B		Additional paid-in capital	Notes Receivable from stockholders	Other comprehensive loss	Retained earnings	Treasury Stock		Total Stockholders' equity
	Shares	Carrying value	Shares	Carrying value	Shares	Carrying value		Shares	Par value					Shares	Amounts	
Balance as of December 31, 2000	1,552,450	19,298	75,000	3,785	—	—	529	24,937,224	250	14,994	(5,922)	(6,797)	11,498	(2,003,750)	(10,327)	3,696
Comprehensive income:																
Net income	—	—	—	—	—	—	—	—	—	—	—	—	4,085	—	—	4,085
Currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	(835)	—	—	—	(835)
Total comprehensive income	—	—	—	—	—	—	—	—	—	—	—	(835)	4,085	—	—	3,250
Cash dividend on Senior Redeemable Convertible Class C Common Stock	—	—-	—	—-	—	—-	—	—	—	—	—	—	(2,315)	—	—	(2,315)
Issuance of Common Stock in connection with stock option exercise	—	—	—	—	—	—	—	22,500		57		—	—	—	—	57
Issuance of Senior Redeemable Convertible Class C Common Stock and warrants to purchase 360,533 shares of Class B Common stock, net of costs	—	—	26,000	2,387	—	—	180	—	—	—	—	—	—	—	—	—
Issuance of Senior Redeemable Convertible Class C Common Stock and warrants to purchase 554,667 shares of Class B common stock in connection with the acquisition of Geopak Corporation	—	--	40,000	3,718	—	—	282	—	—	—	—	—	—	—	—	—
Issuance of Redeemable Convertible Class D Common Stock in connection with the acquisition of Geopak Corporation	—	—-	—	—-	480,000	5,659	—	—	—	—	—	—	—-	—	—	—
Beneficial conversion feature recorded in connection with issuance of Senior Redeemable Convertible Class C Common Stock	—	—	—	(2,508)	—	—	—	—	—	2,508	—	—	—	—	—	2,508
Deemed dividend on Senior Redeemable Convertible Class C Common stock treated as a dividend	—	—	—	714	—	—	—	—	—	—	—	—	(714)	—	—	(714)
Additional accretion of redemption value on Senior Redeemable Convertible Class C Common Stock	—	—	—	594	—	—	—	—	—	—	—	—	(594)	—	—	(594)
Accretion of redemption value on Redeemable Convertible Class D Common Stock	—	—	—	—	—	251	—	—	—	—	—	—	(251)	—	—	(251)

Compensation recognized in connection with the extension of stock option expiration dates	—	—	—	—	—	—	—	—	—	674	—	—	—	—	—	674
Compensation recognized in connection with the issuance of options below fair market value	—	—	—	—	—	—	—	—	—	17	—	—	—	—	—	17
Issuance of warrants to purchase 579,984 shares of Class B Common Stock to guarantors in connection with $32 million revolving credit facility	—	—	—	—	—	—	749	—	—	—	—	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	—	—	—	—	—	—	—	—	(28,000)	(280)	(280)
Accretion of redemption value on Redeemable Convertible Series A Preferred Stock	—	295	—	—	—	—	—	—	—	—	—	—	(295)	—	—	(295)
Accrued dividend on Redeemable Convertible Series A Preferred Stock	—	5,160	—	—	—	—	—	—	—	—	—	—	(5,160)	—	—	(5,160)
Additions to notes receivable and accrued interest due from officers and employees, net of cash received for interest	—	—	—	—	—	—	—	—	—	—	(319)	—	—	—	—	(319)
Balance as of December 31, 2001	1,552,450	$24,753	141,000	$ 8,690	480,000	$5,910	1,740	24,959,724	$250	$18,250	$(6,241)	$(7,632)	$ 6,254	(2,031,750)	$(10,607)	$ 274

The accompanying notes are an integral part of these consolidated financial statements.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31,		
	1999	2000	2001
Cash flows from operating activities:			
Net income (loss)	$ 7,407	$ (1,160)	$ 4,085
Adjustments to reconcile net income (loss) to net cash provided by operating activities —			
Depreciation and amortization	10,563	11,184	13,936
Provision for doubtful accounts and customer returns	5,147	2,235	1,166
Deferred income taxes	3,089	502	550
Equity in loss (income) of affiliates	39	524	(145)
Stock-based compensation	1,032	—	691
Guarantor warrants	—	—	749
Noncash gain from Intergraph arbitration settlement, net of noncash expenses	(4,931)	—	—
Changes in assets and liabilities, net of effect from acquisitions:			
Accounts receivable	(8,244)	(1,988)	(215)
Income tax receivable	2,366	(2,003)	707
Prepaid and other current assets	1,888	1,827	980
Other assets	(123)	(378)	939
Accounts payable	(8,613)	(482)	1,762
Accruals and other current liabilities	(180)	4,403	(219)
Deferred subscriptions revenues	11,160	2,148	10,442
Income taxes payable	(463)	990	277
Net cash provided by operating activities	20,137	17,802	35,705
Cash flows from investing activities:			
Purchases of property and equipment	(2,154)	(7,846)	(4,671)
Acquisitions of technology and other intangibles	(407)	—	(21)
Capitalization of costs to translate software products into foreign languages	(1,757)	(1,065)	(703)
Acquisitions, net of cash acquired of $3,832 in 2001	—	(14,181)	(3,668)
Investments	(390)	(1,869)	(422)
Net cash used in investing activities	(4,708)	(24,961)	(9,485)
Cash flows from financing activities:			
Net repayments of short-term borrowings	(8,382)	(9,177)	(272)
Net proceeds from (repayment of) credit facility	—	15,480	(15,480)
Payments of acquisition note	—	—	(5,097)
Proceeds from long-term debt	—	962	2,608
Repayments of long-term debt	(4,765)	(9,482)	(1,958)
Net issuances of notes receivable from stockholders	—	—	(319)
Senior Redeemable Convertible Class C Common Stock dividend	—	—	(1,517)
Acquisition of Treasury Stock	(47)	—	(280)
Issuance of Common Stock and exercise of Common Stock options	86	89	57
Proceeds from sale of Senior Redeemable Convertible Class C Common Stock	—	7,390	2,567
Net cash (used in) provided by financing activities	(13,108)	5,262	(19,691)
Effect of exchange rate changes on cash and cash equivalents	(866)	(106)	28
Increase (decrease) in cash and cash equivalents	1,455	(2,003)	6,557
Cash and cash equivalents, beginning of year	6,985	8,440	6,437
Cash and cash equivalents, end of year	$ 8,440	$ 6,437	$ 12,994

The accompanying notes are an integral part of these consolidated financial statements.

1. Operations and summary of significant accounting policies

Operations

Bentley Systems, Incorporated (Bentley or the Company) is a global provider of collaborative software solutions that enable the Company's users to create, manage and publish architectural, engineering and construction content. Bentley's software solutions are used to design, engineer, build and operate large constructed assets such as roadways, bridges, buildings, industrial and power plants and utility networks. The Company focuses on five vertical industries that deploy such assets: transportation, manufacturing plants, building, utilities and government. In addition, the Company provides professional services for its software solutions, including implementation, integration, customization and training.

Unaudited pro forma stockholders' equity

In connection with the proposed initial public offering of the Company's Common Stock (the Offering), all of the outstanding shares of the Redeemable Convertible Series A Preferred Stock (Preferred Stock), Senior Redeemable Convertible Class C Common Stock (Class C Common Stock) and Redeemable Convertible Class D Common Stock (Class D Common Stock) will convert into common stock upon the closing of the Offering. In addition, the Class A Common Stock will be redesignated as "Common Stock" upon the closing of the Offering. The unaudited pro forma stockholders' equity at December 31, 2001 reflects the assumed conversion of the Preferred Stock, Class C Common Stock and Class D Common Stock into 1,552,450, , and 480,000 shares, respectively, of Common Stock. Additionally, the Company has 2,535,184 redeemable warrants consisting of 1,955,200 warrants issued in connection with the sale of Class C Common Stock (Class C Stockholder Warrants) and 579,984 warrants issued to certain stockholders and directors of the Company for their guaranty of a portion of the revolving credit facility (Senior Guarantor Warrants) (see Note 13). These warrants will automatically be exercised on a net issuance basis upon the closing of the Offering. The unaudited pro forma stockholders' equity as of December 31, 2001 reflects the conversion of the redeemable common stock warrants into common stock and additional paid-in capital.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's principal subsidiaries are Bentley Systems Europe BV, Bentley Systems Pty. Ltd. (Australia), Bentley Systems Co., Ltd. (Japan), Bentley Systems Germany GmbH (Germany) and Bentley Systems (UK) Ltd. All significant intercompany accounts and transactions have been eliminated. See Note 3 for investments in unconsolidated entities.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Supplemental cash flow information

During the years ended December 31, 1999, 2000 and 2001, the Company paid income taxes of $1,047, $2,100 and $1,349, respectively, and interest of $2,245, $2,316 and $2,535, respectively. During 2001, the Company received a federal tax refund of $615.

Accretion of dividends and redemption value related to Preferred Stock, Class C Common Stock and Class D Common Stock was $2,396, $2,396 and $7,014 for the years ended December 31, 1999, 2000

and 2001, respectively (see Notes 11 and 12). In addition, Class C Common Stock accrued $798 of cash dividends as of December 31, 2001 (see Notes 7 and 11).

In 2001, the Company issued warrants valued at $749 to certain of the Company's stockholders in consideration for their personal guarantees of a portion of the Company's indebtedness under its bank credit facility (see Note 6). The Company recorded non-cash compensation expense relating to modifications made to extend the contractual life of certain employee stock options in the amount of $1,032 and $674 for the years ended December 31, 1999 and 2001, respectively (see Note 14). Additionally, the Company recorded non-cash compensation expense relating to options issued below fair market value in the amount of $17 in the year ended December 31, 2001. In 2000, the Company issued warrants valued at $704 as fees associated with the bank credit facility (see Notes 6 and 13). In 2000, the Company issued shares valued at $388 as a contribution to the profit sharing plan (see Note 10).

The following table displays the noncash assets that were acquired during the years ended December 31, 2000 and 2001, as a result of the acquisitions described in Note 2. There were no business acquisitions in 1999.

	HMR Inc. 2000	Intergraph Corporation Product Lines 2000	GEOPAK Corporation 2001	Intergraph Corporation Product Lines 2001
Noncash assets (liabilities):				
Current assets	$ 1,194	$ —	$ 2,799	$ —
Property and equipment	370	—	53	—
Other assets	581	—	1,572	—
Intangible assets	1,605	25,268	14,600	10,178
Current liabilities	(1,119)	—	(5,697)	(142)
Debt	(727)	—	—	—
Net noncash assets acquired	1,904	25,268	13,327	10,036
Less — Common stock issued	(1,601)	—	(9,377)	—
Options and Class C Stockholder Warrants issued	(303)	—	(282)	—
Note payable to seller	—	(11,087)	—	(10,036)
Cash paid for business (net of cash acquired)	$ —	$ 14,181	$ 3,668	$ —

Revenue recognition

The Company's subscriptions consist of annual recurring fees that its users pay for Bentley SELECT. Coverage under Bentley SELECT includes the right to use the Company's products on a concurrent license basis and access to maintenance and technical support, product updates, upgrades and enhancements. Subscriptions revenues include Bentley SELECT coverage for separately sold perpetual licenses. Subscriptions revenues also include annual and monthly term licenses sold under the Bentley SELECT subscription program. The Company began offering term licenses with the introduction of its Geopak software product lines in 1996. Subsequent to December 31, 2001, the Company expanded its subscription program to include annual and monthly term licenses for additional Bentley software solutions and a comprehensive enterprise subscription program for its largest users. Subscriptions revenues are recognized ratably over the duration of the contract. The duration of the initial Bentley SELECT subscription contract is typically two years and licenses for monthly or annual terms are also offered. These

contracts automatically renew for successive terms, unless terminated. These licenses are included in subscriptions revenues on the accompanying consolidated statements of operations. Billings in advance of providing these services are recorded as deferred subscriptions revenues.

The Company's revenue recognition policies are in compliance with all applicable accounting regulations, including American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, "Software Revenue Recognition," as amended. Revenues from perpetual licenses for software are generally recognized when persuasive evidence of an agreement exists, delivery has occurred, the fee is fixed or determinable, collectibility is probable, and all significant obligations have been fulfilled by the Company. In 2000, software licenses were distributed principally through channel partners and license revenues were recognized upon shipment, unless collectibility was not reasonably assured. The Company estimates the amount of product returns and exchanges and records this reserve as a reduction in perpetual licenses upon shipment of the product. Revenues from perpetual licenses include shipping and handling charges.

In 2001 the Company initiated a strategy to change its distribution model for perpetual licenses. Under the prior model, perpetual licenses were sold to channel partners for resale to users. Under the new model, the Company sells and delivers perpetual licenses directly to its users and the channel partner assigned to the account earns a commission. The new distribution model took effect in North America in November 2001 and will be phased in globally during 2002. Under the new model, the recognized revenues from the sale of each perpetual license are expected to be higher, reflecting the end-user markup. Cost of revenues will also increase by an approximately equal amount reflecting the commission paid to channel partners. The Company anticipates that this change will not materially affect gross profit, but the Company's gross margin percentage from perpetual licenses will decline.

For arrangements containing multiple elements, such as perpetual license fees, support/maintenance and consulting services and where vendor-specific objective evidence (VSOE) of fair value exists for all undelivered elements, the Company accounts for the delivered elements in accordance with the "residual method" prescribed by SOP 98-9, "Modification of SOP 97-2, Software Revenue Recognition, with Respect to Certain Transactions."

Revenues from implementation, integration, customization and training are recognized as services are performed as they are principally contracted for on a time and materials basis. For complex integration services, where the services are essential to the functionality of the software, the Company follows the percentage-of-completion method as defined in SOP 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts." Any anticipated losses on such contacts or programs are charged to operations when identified.

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 3 to 25 years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the remaining lives of the related leases.

Cost of maintenance and repairs is charged to expense as incurred. Upon retirement or other disposition, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the accompanying consolidated statements of operations.

The Company follows the provisions of SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 provides guidance on accounting for computer software developed or obtained for internal use including the requirement to capitalize specified

costs and the amortization of such costs. The adoption of SOP 98-1 did not have a material impact on the Company's financial position or results of operations.

Intangible assets

Intangible assets arise from acquisitions and principally consist of goodwill, trademarks, customer relationships, and acquired technology. Intangibles are amortized over their estimated useful lives, which range from three to fifteen years. The recoverability of the carrying values of intangible assets is evaluated on a recurring basis based upon estimates of undiscounted future cash flows over the remaining useful life of the asset. If the amount of such estimated undiscounted future cash flows is less than the net book value of the asset, the asset is written down to its net realizable value. As of December 31, 2001, no such write-down was required.

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." The effect of SFAS No. 142, as described more fully under "Recent Accounting Pronouncements" below, will have a material impact on the Company's financial position and results of operations.

Cost of revenues

Cost of subscriptions revenues includes internal salaries and related costs associated with servicing Bentley SELECT subscribers, as well as channel partner compensation for providing sales coverage and support to Bentley SELECT subscribers. Cost of perpetual licenses includes channel partner compensation, royalties to certain technology providers, amortization of software translation costs, user manuals, the costs of diskettes and packaging materials and shipping and handling costs. Cost of services includes salaries for internal and third party personnel and related overhead costs for providing implementation, integration customization and training services to users.

Research and development

Research and development costs are charged to expense as incurred and consist primarily of salaries and benefits for software development engineers, third party development fees, costs of computer equipment used in software development and facilities costs.

SFAS No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed," requires the capitalization of costs incurred upon achieving technological feasibility until such product is ready for sale. Costs related to research, design and development of computer software are expensed as incurred. The Company determines technological feasibility to occur when beta testing with existing clients begins. With the exception of producing foreign language translation versions, the time period between the establishment of technological feasibility and the completion of software development is short, and accordingly, no significant development costs had been incurred or capitalized during that period. Amortization of costs relating to translated versions is computed using the straight-line method over the economic life of the product, which is two years. As of December 31, 2000 and 2001, the net book values of capitalized software translation costs were $1,300 and $800, respectively, and were included in other assets on the accompanying consolidated balance sheets.

Advertising expense

The Company expenses advertising costs as incurred. Advertising expenses of approximately $2,575, $2,970, and $2,333 were included in selling and marketing expense in the accompanying consolidated statements of operations during the years ended December 31, 1999, 2000, and 2001, respectively.

Income taxes

The Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company does not accrue federal income taxes on undistributed earnings of its foreign subsidiaries since such undistributed earnings are intended to be permanently reinvested and, if remitted, would not have a material impact on the Company's overall income tax provision due to estimated available foreign tax credits.

Foreign currency translation

Exchange adjustments resulting from transactions denominated in foreign currencies are recognized in the consolidated statements of operations. Exchange adjustments resulting from the translation of financial statements of foreign subsidiaries are reflected as a separate component of stockholders' equity. The net foreign currency transaction gains for the years ended December 31, 1999 and 2000 were $855 and $577, respectively. The net foreign currency transaction loss for the year ended December 31, 2001 was $305. These amounts are included in other income, net on the accompanying consolidated statements of operations (see Note 18).

Net income (loss) per share

The Company calculates net income (loss) per share in accordance with SFAS No. 128, "Earnings Per Share." Pursuant to SFAS No. 128, dual presentation of basic and diluted net income (loss) per share is required on the face of the statements of operations for companies with complex capital structures. Basic net income (loss) per share is calculated by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) per share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options.

For the year ended December 31, 1999, the shares used to calculate diluted net income per share included 194,959 options to purchase common stock. For the years ended December 31, 2000 and 2001, diluted net loss per share is the same as basic net loss per share as no additional shares for the potential dilution from the exercise or conversion of securities into common stock are included in the denominator as the result is anti-dilutive. Common stock equivalents of 1,552,450, 1,840,679 and 4,252,368 shares were not included in the computation of diluted net income (loss) per share for the years ended December 31, 1999, 2000 and 2001, respectively. Additionally, the deemed and cash dividends were not excluded from the numerator in the computation of diluted net income (loss) per share for the years ended December 31, 1999, 2000 and 2001, respectively.

Unaudited pro forma basic and diluted net income per share has been calculated using the net income (loss) before dividends on Preferred Stock, Class C Common Stock and Class D Common Stock and assumes the conversion of all outstanding shares of Preferred Stock, Class C Common Stock and Class D Common Stock into shares of common stock, as if the shares had converted immediately upon their issuance.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of its cash and cash equivalents and receivables.

To reduce credit risk, the Company performs ongoing credit evaluations of its customers and limits the amount of credit extended when deemed necessary. Generally, the Company requires no collateral from its customers. The Company's accounts receivable are derived from perpetual licenses and subscriptions to a large number of channel partners and end users throughout the world. See "Revenue Recognition." The Company maintains an allowance for potential credit losses but historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area.

The Company's cash and cash equivalents are with financial institutions that the Company believes are of high credit quality.

Fair value of financial instruments

Cash and cash equivalents, accounts receivable, accounts payable, accruals and other current liabilities and deferred subscriptions revenues are reflected in the accompanying consolidated financial statements at fair value due to the short-term nature of those instruments. The carrying amount of the Company's debt obligations approximate their fair values as of each of the balance sheet dates.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The Company's critical estimates and assumptions relate to revenue recognition, adequacy of allowance for bad debts and returns, impairment of long-lived assets and accounting for income taxes.

Stock-based compensation

The Company has elected to account for its employee stock-based compensation plans following Accounting Principles Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees" and related interpretations rather than the alternative fair value accounting provided under SFAS No. 123, "Accounting for Stock-Based Compensation" (see Note 13).

Other comprehensive income (loss)

SFAS No. 130, "Reporting Comprehensive Income" established rules for the reporting of comprehensive income (loss) and its components. Other comprehensive income (loss) consists of net income (loss) and foreign currency translation adjustments and is presented in the accompanying consolidated statements of redeemable convertible securities and stockholders' equity.

Reclassifications

Certain prior year amounts have been reclassified to be consistent with the current year's presentation.

Recent accounting pronouncements

In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities — Deferral of the Effective Date of FASB Statement No. 133," which defers the effective date of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS

No. 133, issued in June 1998, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and hedging activities. SFAS No. 133 requires an entity to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company adopted SFAS No. 133 beginning on January 1, 2001. The adoption of SFAS No. 133 did not have any impact on the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations." SFAS No. 141 addresses financial accounting and reporting for business combinations. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001 and eliminates the pooling-of-interests method of accounting for business combinations except for qualifying business combinations that were initiated prior to July 1, 2001. SFAS No. 141 also changes the criteria to recognize intangible assets apart from goodwill. The Company adopted SFAS No. 141 on July 1, 2001. The Company has historically used the purchase method to account for all of its business combinations and accordingly, the adoption of SFAS No. 141 did not materially impact the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, which requires that goodwill and certain intangibles will not be amortized. Instead, these assets will be reviewed annually for impairment and written down and charged to results of operations in the periods in which the recorded value of goodwill and certain intangibles exceeds their fair values. SFAS No. 142 applies to goodwill and certain intangibles assets acquired prior to June 30, 2001, and will be adopted by the Company on January 1, 2002. Adoption of SFAS No. 142 on January 1, 2002 had no impact on our financial statements. However, in the future, SFAS No. 142 will have the impact of reducing non-cash amortization expense of goodwill and will have a material impact on the Company's financial statements. The required impairment tests of goodwill may result in future period write-downs. For the years ended December 31, 1999, 2000 and 2001, amortization of goodwill was $430, $492 and $3,109, respectively.

The following table presents the impact of SFAS No. 142 relating to goodwill amortization and related tax affects on operating income (loss) and net income (loss), as if they had been in effect for the years ended December 31, 1999, 2000 and 2001:

	1999		2000		2001	
	As reported	As adjusted	As reported	As adjusted	As reported	As adjusted
Income (loss) from operations	$ (754)	$ (324)	$ 1,160	$ 1,652	$ 9,971	$13,080
Net income (loss) applicable to common stockholders	5,011	5,286	(3,556)	(3,064)	(5,244)	(3,348)
Net income (loss) per share — Basic and Diluted	$ 0.22	$ 0.23	$ (0.15)	$ (0.15)	$ (0.23)	$ (0.14)

Details of acquired intangible assets as of January 1, 2002 are as follows:

	Amortizing		Nonamortizing	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Software and technology	$ 4,701	$ 1,365	$ —	$ —
Trademarks	—	—	3,080	—
Customer relationships	7,170	588	—	—
Goodwill	—	—	38,697	3,593
Other intangibles	9,914	8,351	—	—
Total	$21,785	$10,304	$41,777	$3,593

In June 2001, the FASB issued SFAS No. 143, “Accounting for Asset Retirement Obligations,” which applies to legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, or development and/or the normal operation of a long-lived asset. Under SFAS No. 143, guidance is provided on measuring and recording the liability. Adoption of SFAS No. 143 will be effective on January 1, 2003. The Company does not believe that the adoption of SFAS No. 143 will materially impact the Company’s financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets,” which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supercedes SFAS No. 121, “Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of,” it removes goodwill from its scope and retains the requirements of SFAS No. 121 regarding the recognition of impairment losses on long-lived assets held for use. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years. The Company does not believe the adoption of SFAS No. 144 will materially impact the Company’s financial position or results of operations.

2. Acquisitions

HMR Inc.

In 1997, the Company purchased 25% of HMR Inc. (HMR), and acquired worldwide distribution rights for HMR’s products. HMR is a Quebec corporation that develops high performance digital imaging software for the engineering markets. On May 31, 2000, the Company acquired all of the remaining stock of HMR in exchange for 40,274 shares of the Company’s Class B nonvoting common stock (Class B Common Stock), 221,318 Exchangeable Shares of a wholly-owned Canadian subsidiary exchangeable into the Company’s Class B Common Stock on a share for share basis and options granted to employees. The total purchase price was valued at $1,904 based upon an independent valuation. The acquisition was accounted for by the purchase method of accounting and, accordingly, the operating results of HMR have been included in the Company’s consolidated statements of operations from the date of acquisition. The excess of the consideration paid over the fair value of the net assets acquired, which was $1,605, has been recorded as goodwill and is being amortized over 15 years on a straight-line basis. Amortization expense for the years ended December 31, 2000 and 2001 was $62 and $107, respectively.

Product lines from Intergraph Corporation

On December 26, 2000, the Company purchased the civil engineering, plot-services and raster-conversion software product lines from Intergraph Corporation (Intergraph) for an initial purchase price of

$25,268, including acquisition costs. At the closing, the Company paid $13,463 in cash and delivered a secured note for $11,087, payable in equal installments over three years. In 2001, an increase, attributable to the earn-out based upon the renewal maintenance revenues for the acquired product lines, was made to the principal balance of the note in the amount of $10,036. The operating results attributable to the acquisition of these assets have been included in the Company's consolidated results of operations from the date of acquisition.

The total purchase price of the product lines acquired from Intergraph Corporation is as follows:

Cash	$13,463
Acquisition note (see Note 8)	21,123
Direct transaction costs	860
Total purchase price	$35,446

Under the purchase method of accounting, the purchase price was allocated to the net tangible and intangible assets based on their estimated fair values as of the acquisition date. An independent valuation supports the following allocation of the purchase price:

Intangible assets:	
Customer relationships	$ 5,230
Software and technology	2,100
Trademarks	1,250
Goodwill	26,866
Total purchase price allocation	$35,446

The Company amortizes customer relationships and software and technology on a straight-line basis over 10 years and 3 years, respectively. For the year ended December 31, 2001, goodwill was amortized on a straight-line basis over 7 years. Amortization expense related to goodwill and customer relationships and software was $2,692 and $1,223, respectively, in the year ended December 31, 2001.

GEOPAK Corporation

On December 18, 1996, the Company purchased 25% of the common stock of GEOPAK Corporation (GEOPAK), and acquired worldwide distribution rights for GEOPAK's products. On September 18, 2001, the Company acquired the remaining common stock of GEOPAK through the merger of GEOPAK with and into a wholly-owned subsidiary of the Company. In consideration for such merger, the Company paid the stockholders of GEOPAK $7,500 in cash, 40,000 shares of Class C Common Stock, 480,000 shares of Class D Common, and warrants to purchase 554,667 shares of Class B Common Stock (see Notes 11 and 13).

The estimated total purchase price of the GEOPAK acquisition is as follows:

Cash	$ 7,500
Value of Class C Common Stock, Class D Common Stock and warrants based on independent appraisal	9,659
Total purchase price	$17,159

Under the purchase method of accounting, the preliminary purchase price was allocated to the net tangible and intangible assets based on their estimated fair values as of the acquisition date. An independent valuation supports the following allocation of the purchase price:

Net assets acquired, including cash of $3,832 (see Note 1)	$ 2,559
Intangible assets:	
Customer relationships	1,940
Software and technology	2,050
Trademarks	1,830
Goodwill	8,780
Total purchase price allocation	$17,159

The Company amortizes customer relationships and software and technology on a straight-line basis over 10 years and 3 years, respectively. Amortization for the year ended December 31, 2001 was $292.

Pro forma unaudited information

The following unaudited pro forma information is presented as if the acquisitions of GEOPAK and the product lines acquired from Intergraph had occurred as of the beginning of the periods presented. The effect of the HMR acquisition on the consolidated financial statements is not significant and has been excluded from the pro forma presentation.

	Year Ended December 31,		
	1999	2000	2001
Total revenues	$216,502	$216,859	$207,719
Income (loss) from operations	748	(1,543)	7,149
Net income (loss)	8,210	(2,396)	2,629
Net income (loss) per share — basic and diluted	$ 0.36	$ (0.10)	$ (0.11)

The unaudited pro forma consolidated results of operations include adjustments to give effect to the amortization of goodwill and other intangibles, intercompany and certain other adjustments, as well as the related income tax effects. The unaudited pro forma information is not necessarily indicative of the results of operations that would have occurred had the purchase been made at the beginning of the periods presented or the future results of the combined operations.

3. Investments in affiliates

Equity method

The Company has investments in two companies, which are accounted for under the equity method. In 1998, the Company acquired minority interests in Meta4 (25%) and Modern Tech. SI, Inc. (20%), both of which are resellers of the Company's products and participants in the "Bentley Integrator" program (see below). In 2000, Meta4 was acquired by Cadac BIS, Limited (see below). For the years ended December 31, 1999, 2000 and 2001, total revenues related to these entities was $3,374, $2,086 and $895, respectively. As of December 31, 2000 and 2001, the aggregate net accounts receivable from these entities were $1,033 and $71, respectively.

Cost method

On January 25, 2002, the Company purchased for $5,000 in cash, a 12.5% interest in, and an option to acquire the remainder of, Rebis, a leading developer of discipline-specific applications for the manufacturing plant industry. It is the Company's current intention to exercise this option. Based upon a formula set forth in the option, the Company estimates the total consideration to be $, of which 70% will be paid in cash and the remaining 30% will be paid in shares of the Company's common stock, valued at the Offering price. The closing of this acquisition is subject to certain closing conditions. The Company cannot give any assurance that the contingencies related to the acquisition of the remainder of Rebis will be satisfied in a timely manner, or at all. The completion of the acquisition of the remainder of Rebis is not a condition of the closing of the Offering.

On February 18, 2001, the Company purchased approximately 3% of POS-Midas Information Technology Co., Ltd. (POS-Midas), a Korean company engaged in the sale, design and distribution of certain commercial software and consultancy services, for $422. The Company also entered into a distribution agreement with POS-Midas in 2000. As of December 31, 2001, $500 of product purchased from POS-Midas is included in other current assets. Additionally, the Company purchased a convertible note receivable for $246 due from POS-Midas which is included in other assets on the accompanying consolidated balance sheets.

During 2000, the Company continued to expand its "Bentley Integrator" program, acquiring an 18.4% equity interest in Cadac BIS, Limited and a 15% equity interest in Cadtronic Computer-Systeme GmbH. During 1999, the Company acquired a 19.9% equity interest in each of Armilian Technology, Third Millenium Technology Corporation, WorkPlace Wisdom Inc., and APlus Integration Solutions, Inc. Each of these investments has been accounted for under the cost method of accounting.

Bentley Integrators are a select group of independent resellers of Bentley products. Bentley Integrators provide systems integration involving Bentley technology, as well as service under Bentley SELECT.

The investments in affiliates accounted for under the equity and cost methods were $2,407 as of December 31, 2000 and $2,122 as of December 31, 2001. For the years ended December 31, 1999, 2000 and 2001, total revenues related to these cost method entities were $7,712, $14,003 and $6,931, respectively. As of December 31, 2000 and 2001, the aggregate net accounts receivable from these entities were $6,551 and $1,141, respectively. In addition, as of December 31, 2000 and 2001, the Company has a note receivable from Cadac BIS, Limited in the amount of $598 and $348, respectively, which is included in other assets on the accompanying consolidated balance sheets.

4. Transactions with Intergraph

At December 31, 2001, Intergraph owned approximately 29% of the Company's fully diluted common stock. Intergraph distributes Bentley's products on a nonexclusive basis. Sales of perpetual licenses to Intergraph aggregated 4.4%, 2.3% and 2.4% of total revenues in 1999, 2000 and 2001, respectively. Accounts receivables from Intergraph were approximately $2,600 and $900 at December 31, 2000 and 2001, respectively.

Settlement agreement

By agreement dated February 23, 1999, Integraph paid $1,000 to the Company in settlement for amounts due to the Company for unpaid maintenance fees. In addition, on March 10, 1999, the Company and Intergraph entered into a Settlement Agreement and related agreements to settle pending litigation that the Company had filed against Intergraph related to Intergraph's use of the Company's proprietary

computer code known as "PlotLib." Under the settlement agreements, among other things, Intergraph paid $700 to the Company and agreed to terminate its use of PlotLib in all Intergraph products. This $700 is included in perpetual license revenues on the accompanying consolidated statements of operations for the year ended December 31, 1999.

Arbitration settlement

In March 1996, the Company initiated an arbitration proceeding against Intergraph claiming damages for unpaid royalties owed by Intergraph to Bentley under the Software License Agreement in effect from 1987 through 1994. Intergraph had exclusive distribution rights to Bentley's products under the agreement. On March 26, 1999, the Company and Intergraph entered into a settlement agreement to settle the arbitration. Under the settlement, among other things, Intergraph paid $12,000 to the Company and assigned back 3,000,000 shares of the Company's Class A Common Stock to the Company.

The net amount from the arbitration settlement included in the 1999 consolidated statements of operations is summarized as follows:

Cash from arbitration settlement	$ 12,000
Fair value of stock from arbitration settlement	15,420
Gross income attributable to arbitration settlement	27,420
Less — Costs including executive bonus (see Note 9)	(13,857)
Arbitration settlement income, net	$ 13,563

5. Property and equipment

Property and equipment as of December 31, 2000 and 2001 consists of the following:

	2000	2001
Land	$ 1,256	$ 1,256
Building and improvements	12,060	12,112
Computer equipment and software	29,523	33,688
Furniture, fixtures and equipment	6,931	7,268
Automobiles	136	129
	49,906	54,453
Accumulated depreciation	(29,149)	(34,774)
	$ 20,757	$ 19,679

Depreciation expense for the years ended December 31, 1999, 2000 and 2001 was $6,300, $6,000 and $5,800, respectively.

6. Short-term borrowings

Short-term borrowings as of December 31, 2000 and 2001 consist of the following:

	2000	2001
Revolving credit facility	$15,480	$ —
8.25% promissory note to GEOPAK	1,500	—
Other short term borrowings	643	357
	$17,623	$357

On December 26, 2000, the Company and two U.S. commercial banks entered into a three-year, $32,000 revolving credit facility that is secured by the assets of the Company. The revolving credit facility provides for discretionary advances up to $32,000, subject to a borrowing base computation equal to 85% of eligible trade accounts receivable. In connection with this revolving credit facility, the Company granted warrants to the two banks, as well as to certain stockholders and directors of the Company for their guarantees of a portion of the revolving credit facility (see Note 13). As of December 31, 2001, there was no outstanding loan balance and $26,100 available under this revolving credit facility. This credit facility contains certain financial and nonfinancial covenants with which the Company was in compliance with as of December 31, 2000 and 2001. The revolving credit facility bears interest at the banks' commercial base floating rate or at the Company's option, the 30, 60 or 90 day Eurodollar rate plus 3%. Interest expense on the revolving credit facility was $1,295 in 2001. Additionally, interest expense in 2001 includes $230 related to amortization of the bank warrants and $749 related to the Senior Guarantor Warrants (see Note 13).

7. Accruals and other current liabilities

Accruals and other current liabilities as of December 31, 2000 and 2001 consist of the following:

	2000	2001
Accrued compensation	$ 6,577	$ 5,563
Accrued commissions	3,995	1,342
Accrued benefits	1,067	3,693
Accrued events	971	174
Accrued Class C Common Stock redemption payments (see Note 11)	—	798
Other accrued and current liabilities	6,295	7,750
	$18,905	$19,320

8. Long-term debt

Long-term debt as of December 31, 2000 and 2001 consists of the following:

	2000	2001
Pennsylvania Industrial Development Authority	$ 2,200	$ 2,049
Mortgage payable	2,728	2,546
Sale-and-leaseback and lease obligations	1,523	1,991
Acquisition note (see Note 2)	11,087	17,178
Other notes	1,106	396
	18,644	24,160
Less — Current maturities	(5,084)	(9,774)
	$13,560	$14,386

The Company has two loans payable to the Pennsylvania Industrial Development Authority structured as 15-year term loans with interest at fixed rates of 2% and 3%, respectively. The loans are collateralized by mortgages on buildings. Monthly principal and interest payments of $18 are due through April 2011 and $14 through January 2014. Interest expense on the loans was $63, $64 and $60 in the years ended December 31, 1999, 2000 and 2001, respectively.

The mortgage payable relates to a building at the Company's Exton, Pennsylvania headquarters. The mortgage bears interest at the rate of 8.5% per annum and matures on August 31, 2018. The mortgage is collateralized by the building and related real estate. Interest expense on the mortgage payable was $246, $259 and $161 in the years ended December 31, 1999, 2000 and 2001, respectively.

Sale-and-leaseback and lease obligations relate to computer equipment purchased by the Company and contemporaneously sold to and leased back from financial institutions under credit commitments totaling $3,300. The lease terms are three years from inception and ownership of the computer equipment transfers to the Company automatically upon scheduled termination of the agreements. Monthly payments are currently $94, including interest at an average rate of 6.3%. Interest expense on the sale-and-leaseback and lease obligations was $168, $165 and $186 in the years ended December 31, 1999, 2000 and 2001, respectively.

Interest expense related to the other notes was $1,689, $1,409 and $132 for the years ended December 31, 1999, 2000 and 2001, respectively.

In conjunction with the acquisition of the product lines from Intergraph, the Company entered into a secured note agreement with Intergraph (Acquisition Note). The Acquisition Note was initially issued for $11,087 and in 2001, pursuant to the terms of the agreement, an increase attributable to the earn-out based upon the renewal maintenance revenues for the acquired product lines was made to the principal balance of the note in the amount $10,036. The remaining Acquisition Note balance of $17,178 as of December 31, 2001 is being repaid in equal quarterly installments in the amount necessary to repay the balance in full by December 1, 2003. The Acquisition Note bears interest at 9.5%. Interest expense on the Acquisition Note was $1,086 in the year ended December 31, 2001. The Company expects to repay the outstanding balance of the Acquisition Note with the proceeds of the Offering.

Future principal payments for each of the next five years and thereafter for all of the Company's long-term debt is as follows:

2002	$ 9,774
2003	10,345
2004	382
2005	321
2006	326
Thereafter	3,012
	$24,160

9. Executive bonus plan

The Company has an incentive compensation program for certain of its executives. Under the program, 20% of the Company's quarterly pretax operating profits, as defined, are paid in the form of cash bonuses, subject to certain limitations contained in the revolving credit agreement (see Note 6) and the Company's Securities Purchase Agreement dated December 26, 2000 (see Note 11). The Company paid incentive compensation bonuses of $1,596, $1,783 and $4,293 for the years ended December 31, 1999, 2000 and 2001, respectively.

The Company had another executive bonus plan under which one-third of the royalties from Intergraph owed during the period of the software license agreement between 1987 and 1994 were paid as a bonus to certain owner-executives of the Company. Upon settlement of the royalty arbitration with Intergraph in 1999 (see Note 4), a bonus based on the unpaid royalties received in the settlement, net of arbitration costs, was paid. The bonus consisted of $900 in cash and deferred compensation arrangements under which a $5,140 payment, with interest at 6% per annum, will be made in August 2005, or sooner upon the occurrence of certain events, including an initial public offering. Interest expense was $125, $304 and $308, for the years ended December 31, 1999, 2000 and 2001, respectively. Upon the consummation of the Offering, the deferred compensation amount must be paid six months after the Offering. At the same time that the bonus was paid, the executives participating in the bonus purchased 1,000,000 of the shares received by the Company in the settlement at fair market value in exchange for their full recourse promissory notes aggregating $5,140, with interest at 6% per annum, due August 2004. Such promissory notes have been included within stockholders' equity.

10. Retirement plans

The Company maintains a qualified profit sharing plan for the benefit of substantially all United States based full-time employees with six months of service. During 1998, the plan was amended to include a 401(k) Retirement Savings Plan (the Plan). The Company may make discretionary contributions to the Plan up to a maximum of 6% of salary for each eligible participating employee. The Company made a discretionary contribution of approximately $600, $0 and $400 in 1999, 2000 and 2001, respectively. Nondiscretionary (matching) contributions to the Plan were $800, $1,065 and $1,461 for the years ended December 31, 1999, 2000 and 2001, respectively.

The Company also maintains various retirement benefit plans for employees of its international subsidiaries, primarily defined contribution plans. Contributions to the plans were approximately $1,100, $1,000 and $1,000 in 1999, 2000 and 2001, respectively.

11. Common stock

Authorized shares

In September 2001, the Board of Directors and stockholders approved an increase in the authorized Common Stock to 60,000,000 Class A Voting Common Stock (Class A Common Stock), 30,000,000 Class B Common Stock, 150,000 shares of Class C Common Stock, and 480,000 shares of Class D Common Stock. Under certain circumstances, shares of Class B Common Stock and D Common Stock will be converted to shares of Class A Common Stock (or such other class as provided in the Company's certificate of incorporation) on a one-for-one basis. Accordingly, authorized Class A Common Stock are reserved to the extent of issued and outstanding shares of Class B Common Stock (on a fully diluted basis).

Recent sales of Company Capital Stock

On December 26, 2000, the Company sold 75,000 shares of Class C Common Stock and 1,040,000 Class C stockholder Warrants (See Note 13) for an aggregate purchase price of $7,500. Upon issuance, a fair value of $6,861 and $529, net of costs, was assigned to such shares of Class C Common Stock and Class C Stockholder Warrants, respectively. The Company received net proceeds of $7,390.

On July 2, 2001, the Company sold 26,000 shares of Class C Common Stock and 360,533 Class C Stockholder Warrants (see Note 13) for an aggregate purchase price of $2,600. Upon issuance, a fair value of $2,387 and $180, net of costs, was assigned to such shares of Class C Common Stock and Class C Stockholder Warrants, respectively. The Company received net proceeds of $2,567.

On September 18, 2001, the Company issued 40,000 shares of Class C Common Stock, 480,000 shares of Class D Common Stock and 554,667 Class C Stockholder Warrants (see Note 13) as partial consideration for the acquisition of GEOPAK (See Note 2). Upon issuance, a fair value of $3,718, $5,659 and $282 was assigned to such shares of Class C Common Stock, Class D Common Stock, and Class C Stockholder warrants, respectively.

The Company allocated the proceeds to Class C Common Stock, Class D Common Stock and Class C Stockholder Warrants based on the relative fair values of each instrument which was determined based on a valuation provided by an independent valuation consultant. Of the total proceeds, approximately $12,966 was allocated to the Class C Common Stock, $5,659 was allocated to the Class D Common Stock and $991 was allocated to the Class C Stockholder Warrants. After considering the allocation of the proceeds based on relative fair values, it was determined that the Class C Common Stock had a beneficial conversion feature (BCF) in accordance with Emerging Issues Task Force (EITF) issue No. 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features or Contingency Adjustable Conversion Ratios." The Company recorded the BCF of approximately $3,076 and $2,508 as a discount to the Class C Common Stock for the years ended December 31, 2000 and 2001, respectively. The Company is accreting the BCF over the period from the date of issuance to the earliest redemption date, December 26, 2005. The Company recorded $714 of accretion relating to the BCF during the year ended December 31, 2001. Upon conversion of the Class C Common Stock into Class B Common Stock, the Company will recognize the remaining unamortized beneficial conversion feature on the Class C Common Stock.

Selected terms of Class C Common Stock

Each share of Class C Common Stock may be converted at the option of the holder at any time after December 26, 2005, or immediately prior to a change of control or sale of the Company, into that number of shares of Class B Common Stock equal to the sum of (a) the product of a conversion factor of

one (subject to adjustment from time to time) and 2.77 1/3 (Additional Shares), and (b) the Class C Redemption Amount (as defined below) as of the time of conversion divided by the fair market value of one share of Class B Common Stock. Each share of Class C Common Stock will automatically convert into Class B Common Stock upon the completion of an initial public offering of the Company's capital stock.

At any time after December 26, 2005, if the Company has not completed an initial public offering of the Company's capital stock or a sale of the Company, or immediately prior to a change of control of the Company, each holder of Class C Common Stock may elect to require the Company to redeem in whole or in part the shares of Class C Common Stock for a purchase price equal to the sum of the Class C Redemption Amount and the Additional Shares Redemption Amount (as defined below). At any time after December 26, 2005, if the Company has not completed an initial public offering of the Company's capital stock or a sale of the Company, the Company may elect to redeem, in whole or in part the outstanding shares of Class C Common Stock for a purchase price equal to the sum of the Class C Redemption Amount and the Additional Shares Redemption Amount. Within 45 days after each calendar quarter beginning with the calendar quarter ending March 31, 2001, the Company must redeem 2.5% of the Class C Redemption Amount in cash for a price equal to 98.9847% of the portion of the Class C Redemption Amount to be redeemed, and may elect to redeem an additional 2.5% of the Class C Redemption Amount in cash for an equal amount; provided, however, that no such redemption will be made if the Company fails to comply with certain provisions of its revolving credit facility. The "Class C Redemption Amount" means an amount equal to $125 per share, less the amount of all redemptions by the Company thereon, and, at any time after the first anniversary of issuance, plus an amount equal to a quarterly compounded rate of 5.7371% of the Class C Redemption Amount as of the end of the previous calendar quarter. The "Additional Shares Redemption Amount" means an amount equal to the product of the number of Additional Shares and the fair market value of one share of Class B Common Stock. In the year ended December 31, 2001, the Company paid the Class C common stockholders $1,517 for the mandatory and optional Class C redemption dividends discussed above. As of December 31, 2001, there is $798 included in accrued expenses for redemption dividend payments to be made in 2002 (see Note 7). Additionally, the Company recorded a dividend of $594 for the accretion related to the additional redemption feature and $714 of accretion relating to the BCF for the year ended December 31, 2001.

The holders of Class C Common Stock shall participate with the holders of Class A Common Stock and Class B Common Stock on an as-converted basis in any dividends or distributions declared by the Board of Directors and any such dividends or distributions shall be payable only if and when declared by the Board of Directors.

In the event of liquidation or sale of the Company, holders of Class C Common Stock will receive, at their discretion, a payment equal to the sum of the Class C Redemption Amount and the Additional Shares Redemption Amount, or an amount equal to that which would be payable to the holder if the holders' shares of Class C Common Stock were converted to Class B Common Stock prior to the liquidation or sale. Any such payment shall be prior and in preference to any distribution to the holders of any other class or series of capital stock of the Company other than the Preferred Stock.

At any time prior to the date the Company sells 150,000 shares of Class C Common Stock or the aggregate Class C Redemption Amount reaches $10,000, and as long as there is Class C Common Stock outstanding, the holders of Class C Common Stock have the right to elect one observer to attend each meeting of the Board of Directors. Beginning on the date that the Company has sold 150,000 shares of Class C Common Stock or the aggregate Class C Redemption Amount reaches $10,000, and as long as there is Class C Common Stock outstanding, the holders of Class C Common Stock have the right to elect one member of the Company's Board of Directors.

The Class C Common Stock is carried at its current redemption value in the accompanying consolidated balance sheets outside of stockholders' equity since the redemption of the Class C Common Stock is outside the control of the Company. Upon the consummation of the Offering, the Class C Common Stock will convert into shares of Class B Common Stock.

Selected terms of Class D Common Stock

Each share of Class D Common Stock shall automatically convert into one share of Class B Common Stock upon the completion of an initial public offering of the Company's capital stock. If any holder of Class D Common Stock elects not to exercise its redemption rights (as described below) prior to the expiration date thereof or if any holder of Class D Common Stock sells or otherwise transfers its shares of Class D Common Stock (except for a transfer by a deceased holder to his estate or heirs), then such holder's shares of Class D Common Stock shall automatically be converted into Class B Common Stock on a one-for-one basis.

Each share of Class D Common Stock is redeemable at the election of the holder, in whole or in part, for cash in an amount equal to the Class D Redemption Amount (as defined below) (a) at any time during the period beginning on the fifth anniversary of the initial issuance date (September 2001) of any such share and ending sixty days later, or (b) if sooner, in the event of an initial public offering of the Company's capital stock or the sale of the Company at a price per share below the Class D Redemption Amount in effect at the time of such event. If any holder of Class D Common Stock elects not to exercise its redemption right under subsection (a) of the foregoing sentence, then, for a period of 60 days following the expiration date of such redemption right, the Company shall have the right to redeem such holders' shares of Class D Common Stock, in whole or in part, at a price per share equal to the Company Redemption Amount (as defined below) in effect on the date of such exercise. The "Class D Redemption Amount" per share equals $13.25 and, beginning August 30, 2002, increases each day thereafter at an annual rate of 10%. The "Company Redemption Amount" per share on a particular date equals $17.00 and, beginning September 30, 2002, increases each day thereafter for the year ended December 31, 2001 at an annual rate of 10%. The Company recorded $251 of accretion relating to this redemption feature for the year ended December 31, 2001.

The Class D Common Stock is in the accompanying consolidated balance sheet outside of stockholders' equity since the redemption of the Class D Common Stock is outside the control of the Company. Upon the consummation of the Offering, the Class D Common Stock will convert into 480,000 shares of Class B Common Stock.

12. Preferred stock

The Company has 1,552,450 shares of Preferred Stock authorized.

On September 18, 1998, the Company entered into a Stock Purchase Agreement and issued 1,552,450 shares of its Preferred Stock plus 2,171,028 shares of Class B Common Stock held in escrow, for $15,000. Upon issuance, a fair value of $13,800 and $1,100 was assigned to the Preferred Stock and Class B Common Stock held in escrow, respectively, net of costs. The Preferred Stock may be converted into 1,552,450 shares of Class B Common Stock at the option of the holder at any time and will be automatically converted into common stock upon the completion of an initial public offering of the Company's Common Stock, as defined.

The Preferred Stock accrues annual dividends at a rate of $1.9522 per share, which compounds annually at the rate of 20.201% (Accrued Dividends). Accrued Dividends and the accretion of redemption value during 1999, 2000 and 2001 were $2,396, $2,396 and $5,455, respectively, and are payable only if

and when declared by the Company's Board of Directors and must be paid prior to any dividends on the Company's common stock and in connection with a redemption of the Preferred Stock. At any time after March 18, 2003, the holders of outstanding Preferred Stock will have the right and option to require the Company (subject to restrictions imposed by law) to redeem the Preferred Stock for $9.6621 per share plus Accrued Dividends not previously paid (the Redemption Amount). At any time after March 18, 2005, the Company will have the right and option to redeem all outstanding shares of the Preferred Stock for the Redemption Amount. In the event of liquidation or sale of the Company, holders of the Preferred Stock will receive, at their discretion, a preferred payment equal to the Redemption Amount or an amount equal to that which would be payable to the holder if the holders' shares of Preferred Stock were converted to common stock prior to the liquidation or sale.

In connection with certain charter amendments since 1998, the dividend rate has been increased retroactively to the original issuance date. The Company has increased the carrying value of the Preferred Stock by the accrued dividends and accretion of the value assigned to the Class B Common Stock.

So long as any shares of the Preferred Stock are outstanding, the holders of the Preferred Stock have the right to elect one member of the Company's Board of Directors, whose consent may be required for certain actions outside of the ordinary course of business.

In the event that the Company completes an initial public offering of its common stock, and the proceeds of such offering are less than $30,000, holders of the Preferred Stock will have the right, on or after September 18, 2002, to require the Company to purchase all of their shares into which the Preferred Stock was converted for $25,300; provided, however, that this right shall terminate if prior to the exercise thereof the Company achieves a market capitalization in excess of $300,000.

In connection with the sale of the Preferred Stock, the Company issued 2,171,028 shares of its Class B Common Stock to be held in escrow and distributed to the holders of the Preferred Stock and/or certain of the Company's other stockholders who were stockholders on September 18, 1998 over a four year period based on the Company's market value during the period in relation to certain agreed upon targets.

The Preferred Stock is carried at its current redemption value in the accompanying consolidated balance sheet outside of stockholders' equity since the redemption of the Preferred Stock is outside the control of the Company.

13. Stock options and warrants

Stock options

The Company has two stock option plans; the 1995 Stock Option Plan and the 1997 Stock Option Plan. The 1995 Stock Option Plan provides for the granting of nonqualified stock options for the purchase of Class A voting common stock to key employees, the option price per share may not be less than 75% of the fair market value of a share on the date the option is granted, the options generally vest over four years and the maximum term of an option may not exceed ten years from the date of grant. At December 31, 2001, there are 1,075,080 options authorized under this plan. As of December 31, 2000 and 2001, 643,004 and 564,130 options were outstanding under this plan, respectively. No further options will be granted under the 1995 Stock Option Plan after the closing of the Offering.

The 1997 Stock Option Plan provides for the granting of nonqualified stock options and incentive stock options for the purchase of Class B nonvoting common stock to key employees, the option price per share may not be less than 100 percent of the fair market value of a share on the date the option is granted, the options generally vest over four years and the maximum term of an option may not exceed ten

years from the date of grant. In May 2000, the Company's Board of Directors and stockholders approved an amendment to the 1997 Plan to reserve an additional 1,800,000 shares of Class B nonvoting common stock for issuance upon the exercise of qualified or nonqualified stock options. At December 31, 2001, there were 3,800,000 options authorized under this plan. As of December 31, 2000 and 2001, 2,263,517 and 3,396,016 options were outstanding under this plan, respectively. No further options will be granted under the 1997 Stock Option Plan after the closing of the Offering.

The following is a summary of transactions under both plans:

	Number of Shares		Price per Share	
	Available for Future Grants	Outstanding	Range	Weighted-average
Balance at December 31, 1998	1,220,668	1,846,412	$2.54 - $10.00	$5.27
Exercised	—	(33,750)	2.54	2.54
Cancelled	169,428	(169,428)	2.54 - 10.00	6.46
Granted	(847,400)	847,400	5.14	5.14
Balance at December 31, 1999	542,696	2,490,634	2.54 - 10.00	$5.18
Authorized	1,800,000	—	—	—
Exercised	—	(280,000)	2.54	2.54
Cancelled	252,914	(252,914)	5.14 - 10.00	5.78
Granted	(948,801)	948,801	6.12	6.12
Balance at December 31, 2000	1,646,809	2,906,521	2.54 - 10.00	5.70
Exercised	—	(22,500)	2.54	2.54
Cancelled	352,415	(352,415)	2.54 - 10.00	5.79
Granted	(1,428,540)	1,428,540	2.22 - 6.12	5.90
Balance at December 31, 2001	570,684	3,960,146	$2.22 - 10.00	$5.75

The following is a summary of options outstanding and exercisable by price range as of December 31, 2001:

Options Outstanding			
Exercise Prices	Number of Shares	Weighted-Average Remaining Contractual Life	Options Exercisable
$ 2.22	65,271	3.0	65,271
2.54	333,630	2.1	333,630
2.90	15,769	3.0	10,511
5.14	1,029,295	6.6	833,249
5.68	15,550	6.0	15,550
6.12	2,129,631	9.0	210,801
8.37	230,500	4.4	230,500
10.00	140,500	5.0	140,500
	3,960,146	7.2	1,840,012

Subsequent to December 31, 2002, options to purchase 2,200 shares of common stock were cancelled.

The Company determines stock-based compensation under APB 25. During 1999, there was $1,032 of compensation expense recorded relating to a modification made to extend the contractual life of certain employee stock options. During 2000, there was no compensation expense recorded. During 2001, there was $674 in compensation expense recognized relating to a modification made to extend the contractual life of certain employee stock options and $17 in compensation expense relating to the issuance of options below fair market value.

Pro forma information regarding net income (loss) is required by SFAS 123 as if the Company had accounted for its stock-based compensation based on the fair value method. Had compensation cost for such plans been determined consistent with SFAS 123, the Company's net income (loss) would have been adjusted to the pro forma amounts indicated below.

	Year Ended December 31,		
	1999	2000	2001
Net income (loss) applicable to common stockholders:			
As reported	$5,011	$(3,556)	$(5,244)
Pro forma	$2,887	$(6,793)	$(7,169)
Net income (loss) per share:			
Basic and Diluted:			
As reported	$ 0.22	$ (0.15)	$ (0.23)
Pro forma	$ 0.13	$ (0.30)	$ (0.31)

For this purpose, the fair value of the Company's stock-based awards to employees was estimated at the date of grant using a Black-Scholes option pricing model, assuming an estimated life of seven years, no dividends, volatility of 70% and risk-free interest rates of 6.6%, 5.5% and 4.4% in 1999, 2000 and 2001, respectively.

Class C Stockholder Warrants

The Company sold Class C Stockholder Warrants to the purchasers of Class C common stock and issued Class C Stockholder Warrants in connection with the GEOPAK acquisition (see Note 2) at an exercise price equal to the product of (a) the fair market value of the number of shares of Class B Common Stock such warrant is exercisable into, and (b) the applicable discount rate set forth in the terms of such warrant. The Class C Stockholder Warrants expire on the tenth anniversary of the date of issuance. These warrants may be exercised upon the request of the holder at any time after the fifth anniversary of the date of issuance or a change of control of the Company, and shall automatically be exercised on a net issuance basis upon the consummation of a qualified initial public offering of the Company's capital stock or a sale of the Company. As of December 31, 2000 and 2001, 1,040,000 and 1,955,200 Class C Stockholder Warrants were outstanding, respectively.

At any time after December 26, 2005, if the Company has not completed an initial public offering of the Company's capital stock or a sale of the Company, or at any time after the Company has redeemed the Class C Common Stock, each holder of a Class C Stockholder Warrant shall have the right to require the Company or the Company shall have the right to redeem such Class C Stockholder Warrant for a redemption price equal to the product of (a) the fair market value of the number of shares of Class B Common Stock such Class C Stockholder Warrant is exercisable into, and (b) the applicable discount rate set forth in the terms of such Class C Stockholder Warrant. Accordingly, the Class C Stockholder Warrants are recorded as a liability on the accompanying consolidated balance sheets at their redemption value.

Senior Lender Warrants

On December 26, 2000, the Company issued warrants to purchase up to a total of 988,290 shares of Class B Common Stock of the Company to two US commercial banks acting as co-lenders under the Company's revolving credit facility at an initial warrant exercise price of $10.17 per share (see Note 6). A fair market value of $704 has been included with other assets and is being amortized over the initial three-year term of the revolving credit facility. These warrants may only be exercised upon either the consummation of a qualified initial public offering of the Company's capital stock or upon the occurrence of a change in control of the Company, and shall expire on the earliest of (i) December 26, 2010, (ii) 90 days subsequent to a notice of nonrenewal of the credit facility by the co-lenders or (iii) two years after the consummation of an initial public offering by the Company.

Senior Guarantor Warrants

On July 2, 2001, the Company issued Senior Guarantor Warrants to purchase up to a total of 579,984 shares of Class B Common Stock to certain stockholders and directors of the Company in consideration for their guaranty of a portion of the Company's revolving credit facility (see Note 6). The Senior Guarantor Warrants have an exercise price equal to the product of (a) the fair market value of the number of shares of Class B Common Stock such Warrant is exercisable into, and (b) the applicable discount rate set forth in the terms of such Warrant. A fair market value based upon a valuation from an independent valuation consultant of $749 was attributed to the Senior Guarantor Warrants and was included in interest expense on the accompanying consolidated statement of operations.

The Senior Guarantor Warrants expire on December 26, 2010. These warrants may be exercised upon the request of the holder at any time after December 26, 2005 or a change of control of the Company, and shall automatically be exercised upon the consummation of a qualified initial public offering of the Company's capital stock or a sale of the Company.

At any time after December 26, 2005, if the Company has not completed a qualified initial public offering of the Company's capital stock or a sale of the Company, each holder of a Senior Guarantor Warrant shall have the right to require the Company, and the Company shall have the right to redeem such Warrant for a redemption price equal to the product of (a) the fair market value of the number of shares of Class B Common Stock such Senior Guarantor Warrant is exercisable into, and (b) the applicable discount rate set forth in the terms of such Senior Guarantor Warrant. Accordingly, the Class C Stockholder Warrants are recorded as a liability on the accompanying consolidated balance sheets at their redemption value.

14. Income taxes

The provision (benefit) for income taxes consists of the following:

	Year Ended December 31,		
	1999	2000	2001
Current:			
Federal	$ 369	$ (457)	$1,291
State	104	79	128
Foreign	1,128	1,222	1,276
	1,601	844	2,695
Deferred:			
Federal	2,945	514	(215)
State	290	(113)	(97)
Foreign	60	(457)	49
	3,295	(56)	(263)
Valuation allowance	(669)	71	180
	$4,227	$ 859	$2,612

The following is a summary of the significant components of the Company's deferred tax assets and liabilities as of December 31, 2000 and 2001:

	2000	2001
Deferred tax assets:		
Net operating loss carryforwards	$3,123	$ 2,393
Accelerated depreciation	410	642
Bad debt allowance	721	1,264
Expenses not currently deductible	2,951	2,841
Other	287	408
Valuation allowance	(891)	(1,142)
	6,601	6,406
Deferred tax liabilities:		
Intangible assets	583	449
Unrealized exchange gains	568	18
Trade receivables market valuation allowance	106	—
Other	63	23
	1,320	490
Net deferred tax asset	$5,281	$ 5,916

The net change in the valuation allowance for deferred tax assets relates to losses in investee companies and to net operating loss carryforwards of foreign subsidiaries.

International net operating loss carryforwards totaling approximately $800 (net of valuation allowances) in future benefit at December 31, 2001, expire principally in the years 2002 through 2007.

State net operating loss carryforwards with a future benefit of $600 expire principally in the years 2008 through 2014.

A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31,		
	1999	2000	2001
Federal statutory rate	34.0%	(34.0)%	34.0%
Change in valuation allowance	(1.4)	22.6	2.7
State income taxes, net of federal benefit	2.2	(19.7)	0.5
Nondeductible expenses	5.6	293.0	10.6
Research and development credit	—	—	(4.1)
Foreign sales corporation and export credit benefit	—	—	(6.8)
Difference in rates of foreign taxes	(6.3)	70.8	3.1
Other	2.2	(47.3)	(1.0)
	36.3%	285.4%	39.0%

15. Commitments and contingencies

Leases

The Company leases certain facilities under operating leases having initial or remaining non-cancellable terms in excess of one year. The future minimum lease payments as of December 31, 2001 are as follows:

2001	$3,354
2002	2,637
2003	1,424
2004	1,034
2005	853
Total future minimum lease payments	$9,302

During the years ended December 31, 1999, 2000 and 2001, total rent expense amounted to $4,600, $3,666 and $4,276, respectively.

Litigation

From time to time, the Company is involved in certain legal actions arising in the ordinary course of business. In management's opinion, based upon the advice of counsel, the outcome of such actions are not expected to have a material adverse effect on the Company's future financial position or results of operations.

16. Segments and geographic data

The Company views its operations and manages its business as one segment, the development and marketing of computer software and related services. The Company markets its products and services through the Company's offices in the United States and its wholly-owned branches and subsidiaries

operating in Europe and throughout the Asia/Pacific Rim. North America includes the United States and Canada. Latin and South America includes Mexico.

	Year Ended December 31,		
	1999	2000	2001
Revenues:			
North America	$ 92,551	$ 94,749	$105,210
Europe, the Middle East and Africa	65,394	63,559	72,879
Asia/Pacific	18,121	18,246	18,748
Latin and South America	6,153	3,670	5,773
	$182,219	$180,224	$202,610

	December 31,	
	2000	2001
Identifiable assets:		
North America	$ 96,521	$115,900
Europe, the Middle East and Africa	33,982	35,605
Asia/Pacific	7,533	8,728
Latin and South America	2,434	1,505
	$140,470	$161,738

17. Interest expense, net

Interest expense, net is comprised of the following:

	Year Ended December 31,		
	1999	2000	2001
Interest expense	$2,291	$2,201	$4,207
Interest income	421	740	745
	$1,870	$1,461	$3,462

18. Other income, net

Other income, net is comprised of the following:

	Year Ended December 31,		
	1999	2000	2001
Equity in (loss) income of minority interests	$ (39)	$(524)	$ 145
Foreign exchange gains (loss)	855	577	(305)
Other (loss) income	(121)	(53)	348
	$ 695	$ —	$ 188

19. Related party transactions

On October 1, 2001, the Company entered into a Warehouse and Shipping Outsourcing Agreement with VideoRay, LLC. Under the agreement, the Company outsources to VideoRay the warehousing and shipping services that were previously conducted in-house. VideoRay also assumed the operation of and all lease payments for the Company's warehouse in Exton, Pennsylvania. The Company pays VideoRay a monthly fee of $24 for these services and VideoRay assumes certain costs of operating the facility, including rent, warehouse-related occupancy costs, payroll, medical and insurance expenses for the Company's employees working under VideoRay's supervision to perform required services under the agreement and equipment maintenance and service and other costs. The Company may also pay an additional $1 per month in fees if telephone costs between the parties are separable. In addition, the Company reimburses VideoRay for carrier costs for shipments and certain other expenses. The warehouse agreement expires on December 31, 2002, although the Company has the right to terminate the agreement if an alternate source who can provide the services better or cheaper is found. All of the costs for these out-sourced services were previously borne by the Company. In connection with all the services provided under the warehouse agreement, the Company paid $71 to VideoRay in 2001 for the portion of the year that the agreement was in force and reimbursed them $202 for carrier costs. One of the Company's employees who is also a stockholder and a brother of several officers of the Company, owns a 68% equity interest in VideoRay.

20. Valuation and qualifying accounts for each of the three years in the period ended December 31, 2001

Description	Balance at Beginning of Year	Additions		Deductions	Balance at End of Year
		Charged to Costs and Expenses	Charged to Other Accounts		
For the year ended December 31, 1999:					
Allowance for doubtful accounts	$4,227	$5,147	$ —	$2,931	$6,443
For the year ended December 31, 2000:					
Allowance for doubtful accounts	$6,443	$2,235	$ —	$1,968	$6,710
For the year ended December 31, 2001:					
Allowance for doubtful accounts	$6,710	$1,166	$298(1)	$ 731	$7,443

(1) Represents amount recorded in connection with the GEOPAK acquisition.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To GEOPAK Corporation:

We have audited the accompanying balance sheets of GEOPAK Corporation (a Florida corporation) as of December 31, 2000 and August 31, 2001 and the related statements of operations, stockholders' equity and cash flows for the periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GEOPAK Corporation as of December 31, 2000 and August 31, 2001 and the results of its operations and its cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Philadelphia, Pennsylvania

February 22, 2002

GEOPAK CORPORATION

BALANCE SHEETS

(in thousands, except share data)

	December 31, 2000	August 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,868	$ 3,832
Accounts receivable, net of allowance of $251 and $273	971	1,846
Receivables from Bentley	1,490	1,987
Deferred commissions	180	210
Interest receivable on note receivable from Bentley	4	87
Tax receivable	—	257
Deferred tax asset	807	915
Prepaid and other current assets	15	68
Total current assets	8,335	9,202
Property and equipment, net	42	77
	$ 8,377	$ 9,279
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 248	$ 70
Payable to Bentley	407	559
Accruals and other current liabilities	1,633	1,268
Deferred royalty revenues from Bentley	1,771	2,132
Deferred revenues	3,264	4,020
Total liabilities	7,323	8,049
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, no par value; 1,000,000 shares issued and outstanding	2,600	2,600
Note receivable from Bentley	(1,500)	(1,500)
Retained earnings (accumulated deficit)	(46)	130
Total stockholders' equity	1,054	1,230
	$ 8,377	$ 9,279

The accompanying notes are an integral part of these financial statements.

GEOPAK CORPORATION

STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

	Year Ended December 31, 2000	Eight Months Ended August 31, 2001
Revenues:		
Licenses	$ 5,797	$ 3,928
Maintenance and support	280	249
Royalties from Bentley	3,965	2,721
Other services	1,008	1,013
Total revenues	11,050	7,911
Cost of revenues	7,489	4,934
Gross margin	3,561	2,977
Operating expenses:		
Research and development	128	352
Selling and marketing	1,398	730
General and administrative	1,880	1,823
Total operating expenses	3,406	2,905
Income from operations	155	72
Interest expense	(6)	—
Interest and other income, net	382	247
Income before income taxes	531	319
Provision for income taxes	249	143
Net income	$ 282	$ 176
Net income per share:		
Basic	$ 0.28	$ 0.18
Diluted	$ 0.28	$ 0.17
Shares used in computing net income per share:		
Basic	1,000,000	1,000,000
Diluted	1,006,283	1,006,283

The accompanying notes are an integral part of these financial statements.

GEOPAK CORPORATION

STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Common stock		Notes receivable from Bentley	Retained earnings	Total stockholders' equity
	Shares	Amount			
Balance as of December 31, 1999	1,000,000	$2,600	$(1,500)	$(328)	$ 772
Net income	—	—	—	282	282
Balance as of December 31, 2000	1,000,000	2,600	(1,500)	(46)	1,054
Net income	—	—	—	176	176
Balance as of August 31, 2001	1,000,000	$2,600	$(1,500)	$ 130	$1,230

The accompanying notes are an integral part of these financial statements.

GEOPAK CORPORATION

STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended December 31, 2000	Eight Months Ended August 31, 2001
Cash flows from operating activities:		
Net income	$ 282	$ 176
Adjustments to reconcile net income to net cash provided by (used in) operating activities—		
Depreciation and amortization	4	17
Provision for doubtful accounts	44	22
Deferred income taxes	(88)	(108)
Changes in assets and liabilities:		
Accounts receivable	(40)	(897)
Receivables from Bentley	(707)	(497)
Deferred commissions	(116)	(30)
Interest receivable on note receivable from Bentley	(4)	(83)
Tax receivable	—	(257)
Prepaid and other current assets	—	(53)
Accounts payable	123	(178)
Payable to Bentley	220	152
Accruals and other current liabilities	428	(365)
Deferred royalty revenue from Bentley	638	361
Deferred revenue	341	756
Net cash provided by (used in) operating activities	1,125	(984)
Cash used in investing activities:		
Purchases of property and equipment	(43)	(52)
Increase (decrease) in cash and cash equivalents	1,082	(1,036)
Cash and cash equivalents, beginning of period	3,786	4,868
Cash and cash equivalents, end of period	$4,868	$ 3,832

The accompanying notes are an integral part of these financial statements.

1. Operations and summary of significant accounting policies

Background

GEOPAK Corporation (the Company) develops civil engineering software based upon the Bentley Systems, Incorporated ("Bentley") MicroStation product. On December 18, 1996 Bentley purchased 25% of the common stock of the Company and acquired worldwide distribution rights for the Company's products (see Note 2). On September 18, 2001, Bentley acquired the remaining common stock of the Company.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Supplemental cash flow information

During the year ended December 31, 2000 and the eight months ended August 31, 2001, the Company paid income taxes of $428 and $303, respectively, and interest of $6 and $0, respectively.

Revenue recognition

The principal sources of the Company's revenues are software license fees, software maintenance and support fees, royalty fees and training and consulting fees. The Company recognizes revenues in accordance with the provisions of the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, "Software Revenue Recognition," as amended by SOP 98-4 and SOP 98-9, as well as Technical Practice Aids issued from time to time by the AICPA. Revenues are generally recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collectibility is considered probable.

License fee revenues relate primarily to term license subscriptions to the Company's software products, including maintenance and support, and are recognized ratably over the terms of the related agreements, which are usually a period of one year.

License fee revenues from sales of perpetual licenses are generally recognized upon delivery, based upon the residual method after all elements, other than maintenance and support, have either been delivered or vendor specific objective evidence (VSOE) of the fair values exist for such undelivered elements. License fee revenues from sales of perpetual licenses were $67 and $64 for year ended December 31, 2000 and the eight months ended August 31, 2001, respectively.

Revenues from software maintenance and support contracts are recognized on a straight-line basis over the term of the contract, which is usually a period of one year. VSOE of fair value of software support is determined based on the price charged when the maintenance and support element are sold separately.

Royalty fee revenues relate to royalties received by the Company from sales of the Company's software licenses and maintenance and support by Bentley (see Note 2). The Company recognizes royalties related to subscriptions over the related subscription period, royalties from sales of perpetual licenses generally upon delivery and royalties from sales of maintenance and support ratably over the related support period.

Revenues from training and consulting services are recognized as services are performed, based on VSOE of fair value, which is determined by reference to the price the customer would be required to pay when the services are sold separately.

Deferred revenue

Deferred revenue includes advance billings and payments for license subscriptions, maintenance and support services and consulting services that have not yet been delivered or performed.

Deferred royalty revenue from Bentley

Deferred royalty revenues from Bentley includes advance billings and payments for royalties from Bentley on license subscriptions and maintenance and support services that have not yet been delivered or performed.

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the remaining lives of the related leases.

Cost of maintenance and repairs is charged to expense as incurred. Upon retirement or other disposition, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the accompanying statements of operations.

Research and development

Research and development expenditures are charged to operations as incurred. Statement of Financial Accounting Standards (SFAS) No. 86, “Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed,” requires capitalization of certain software development costs subsequent to the establishment of technological feasibility. The Company has determined that technological feasibility for its products is generally achieved upon the completion of a working model. Since software development costs have not been significant after the completion of a working model, all such costs have been charged to expense as incurred.

Advertising expenses

The Company expenses advertising costs as incurred. Advertising expenses of approximately $274 and $225 were included in selling and marketing expenses in the accompanying statements of operations for the year ended December 31, 2000 and the eight months ended August 31, 2001, respectively.

Income taxes

The Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse.

Net income per share

The Company calculates net income per share in accordance with SFAS No. 128, "Earnings Per Share." Pursuant to SFAS No. 128, dual presentation of basic and diluted net income per share is required on the face of the statements of operations for companies with complex capital structures. Basic net income per share is calculated by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options.

For the year ended December 31, 2000 and the eight months ended August 31, 2001, the shares used to calculate diluted net income per share include options to purchase 6,283 shares of common stock.

Concentration of credit risk

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of its cash and cash equivalents and receivables. The Company maintains an allowance for potential credit losses but historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area. The Company's cash and cash equivalents are with financial institutions that the Company believes are of high credit quality.

For the year ended December 31, 2000 and the eight months ended August 31, 2001, Bentley accounted for approximately 37% and 36%, respectively, of the Company's total revenues and as of December 31, 2000 and August 31, 2001 represented approximately 61% and 52%, respectively, of the Company's total accounts receivable. One other customer accounted for approximately 14% of the Company's total revenues for the eight months ended August 31, 2001.

Fair value of financial instruments

Cash and cash equivalents, accounts receivable, accounts payable and accruals and other current liabilities are reflected in the accompanying financial statements at fair value due to the short-term nature of those instruments.

Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Stock-based compensation

The Company has elected to follow Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its employee stock options. Under APB No. 25, if the exercise price of the Company's employee stock option equals or exceeds the market price of the underlying stock on the date of the grant, no compensation expense is recognized.

Recent accounting pronouncements

In June 1999, the Financial Accounting Standards Board (FASB) issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities — Deferral of the Effective Date of FASB Statement No. 133," which defers the effective date of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, issued in June 1998, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company adopted SFAS No. 133 beginning on January 1, 2001. The adoption of this pronouncement did not have any impact on the Company's financial position or results of operations. The Company does not utilize derivatives.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations." SFAS No. 141 addresses financial accounting and reporting for business combinations. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001 and eliminates the pooling-of-interest method of accounting for business combinations. The adoption of this pronouncement did not impact the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill and certain other intangibles will not be amortized. Instead, these intangibles will be reviewed annually for impairment and any resulting write-down will be charged to results of operations in the periods in which the recorded value of goodwill and certain intangibles is less than its fair value. SFAS No. 142 applies to goodwill and certain intangibles assets acquired prior to June 30, 2001, and was adopted by the Company on January 1, 2002. The adoption of this pronouncement did not impact the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" that applies to legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, or development and/or the normal operation of a long-lived asset. Under this pronouncement, guidance is provided on measuring and recording the liability. Adoption of SFAS No. 143 is required to be adopted on January 1, 2003. The Company does not believe that the adoption of SFAS No. 143 will impact the Company's financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" that addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of," it removes goodwill from its scope and retains the requirements of SFAS No. 121 regarding the recognition of impairment losses on long-lived assets held for use. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years. The Company does not believe SFAS No. 144 will materially impact the Company's financial position or results of operations.

2. Transactions with related parties

Bentley

On December 18, 1996, Bentley purchased 25% of the common stock of the Company and obtained an option to purchase the remaining common stock of the Company. The Company received $2,500 in proceeds from the sale of the shares, $1,000 of which was received in cash and $1,500 was received in the form of a Note Receivable (Note). The Note bears interest at a rate of 8.25% per annum. The Note is due on demand thirty days following the receipt by Bentley of a written demand of payment from the Company. The Note has been recorded within stockholders' equity.

On December 18, 1996 the Company and Bentley entered into a Distribution and License Agreement (Distribution Agreement). The Distribution Agreement grants to Bentley the right to manufacture, distribute and license application software products created and owned by the Company that work in conjunction with Bentley's product. Additionally the Company granted Bentley the right to prepare foreign language translations of and provide technical support for such Company products that are distributed or manufactured by Bentley.

Under the terms of the Distribution Agreement, Bentley must pay to the Company royalties on sales of the Company's software products and services. The amounts receivable from Bentley relate to royalties, which have been earned on Bentley's sales of perpetual and term licenses and maintenance and support services, based on the terms of the Distribution Agreement. As of December 31, 2000 and August 31, 2001, the Company had receivables from Bentley of $1,490 and $1,987, respectively. The Company recorded revenues from Bentley of $4,065 for the year ended December 31, 2000, which includes $3,965 of revenues from royalties and $100 of other service revenues. The Company recorded revenues from Bentley of $2,809 for the eight months ended August 31, 2001, which includes $2,721 of revenues from royalties and $88 of other service revenue.

The Company pays commissions to Bentley on certain Company sales, according to the terms of the Distribution Agreement. During the year ended December 31, 2000 and the eight months ended August 31, 2001, the Company recorded $1,177 and $500, respectively, of cost of revenues related to these commissions. As of December 31, 2000 and August 31, 2001, the Company had deferred commissions of $180 and $210, respectively and had amounts payable to Bentley of $407 and $559, respectively.

Beiswenger, Hoch & Associates

The principal stockholders and executive officers of the Company are investors in Beiswenger, Hoch & Associates (BHA). Since the Company's inception, the Company has subleased their office space from BHA. The Company pays BHA monthly the proportional amount of the rent and office expenses used by the Company in relation to the space available, which are in accordance with market value. For the year ended December 31, 2000 and the eight months ended August 31, 2001, the Company recorded rental expense to BHA of $114 and $82, respectively.

On December 18, 1996, the Company and BHA entered into a Service Agreement whereby BHA performs certain technical support obligations of the Company for end users of the software pursuant to license agreements, lease agreements and technical support agreements for the software, and certain other first-line technical support services. For the year ended December 31, 2000 and the eight months ended August 31, 2001, the Company recorded expense of $2,128 and $1,197, respectively, under the Service Agreement which is included within cost of revenues in the accompanying statement of operations.

3. Property and equipment

Property and equipment consists of the following:

	December 31, 2000	August 31, 2001
Equipment	$ 48	$ 97
Leasehold improvements	—	3
	48	100
Accumulated depreciation	(6)	(23)
	$ 42	$ 77

Depreciation expense for the year ended December 31, 2000 and the eight months ended August 31, 2001 was $4 and $17, respectively.

4. Accruals and other current liabilities

Accruals and other current liabilities consist of the following:

	December 31, 2000	August 31, 2001
Accrued compensation and related benefits	$ 984	$ 893
Income taxes payable	241	—
Accrued sales tax	49	50
Other accrued and current liabilities	359	325
	$1,633	$1,268

5. Stock options

The Company established the 1998 Nonqualified Stock Option Plan (the Plan) which provides for the granting of nonqualified stock options to purchase shares of Common Stock to key employees. The option price per share may not be less than the fair market value of the share on the date the option is granted. At August 31, 2001 there were 75,000 shares authorized for issuance under this plan. Subject to the one-year vesting requirements of each option holders' individual option agreement, options may not be exercised until the earlier of (1) the closing of Bentley's purchase of all outstanding shares of the Company pursuant to exercise of its options to purchase such shares; (2) termination of the Bentley purchase option; or (3) January 2, 2004.

The following is a summary of transactions under the Plan:

	Number of Shares		Price Per Share	
	Available for Future Grants	Outstanding	Range	Weighted Average
Balance at December 31, 1999	30,500	44,500	$ 3.25	$3.25
Exercised	—	—	—	—
Cancelled	—	—	—	—
Granted	(10,750)	10,750	4.25	4.25
Balance at December 31, 2000	19,750	55,250	$3.25-4.25	$3.44
Exercised	—	—	—	—
Cancelled	—	—	—	—
Granted	—	—	—	—
Balance at August 31, 2001	19,750	55,250	$3.25-4.25	$3.44

The following is a summary of options outstanding by price range as of August 31, 2001:

	Options Outstanding	
Prices	Exercise Outstanding	Weighted-Average Remaining Contractual Life
$3.25	44,500	3.34
$4.25	10,750	3.34
	55,250	3.34

As of August 31, 2001, there were no options exercisable under the Plan. Options to purchase 51,667 shares were vested as of August 31, 2001 and became exercisable during September 2001 upon the acquisition of the remaining Common Stock of the Company by Bentley.

Pro forma information regarding net income is required by SFAS 123, "Accounting for Stock-Based Compensation" as if the Company had accounted for its stock-based compensation based on the fair value method. Had compensation cost for such plans been determined consistent with SFAS 123, the Company's net income would have been adjusted to the pro forma amounts indicated below:

	Year Ended December 31, 2000	Eight Months Ended August 31, 2001
Net income:		
As reported	$ 282	$ 176
Pro forma	$ 265	$ 159
Net income per share:		
Basic:		
As reported	$0.28	$0.18
Pro forma	$0.27	$0.16
Diluted:		
As reported	$0.28	$0.17
Pro forma	$0.26	$0.16

For this purpose, the fair value of the Company's stock-based awards to employees was estimated at the date of grant using a Black-Scholes option pricing model, assuming an estimated life of five years, no dividends 70% volatility and risk-free interest rates of 5.5% and 5.1% in the year ended December 31, 2000 and the eight months ended August 31, 2001, respectively.

6. Commitments and contingencies

Leases

The Company leases certain facilities, including related party leases, under operating leases having initial or remaining noncancellable terms in excess of one year. The future minimum lease payments as of August 31, 2001 are as follows:

Remaining 2001	$ 67
2002	169
2003	215
2004	356
2005	344
2006	345
Thereafter	2,295
Total future minimum lease payments	$3,791

During the year ended December 31, 2000 and the eight months ended August 31, 2001 total rent expense amounted to $209 and $158, respectively.

Litigation

From time to time, the Company is involved in certain legal actions arising in the ordinary course of its business. In management's opinion, the outcome of such actions are not expected to have a material adverse effect on the Company's future financial position or results of operations.

7. Income taxes

The provision (benefit) for income taxes consists of the following:

	December 31, 2000	August 31, 2001
Current:		
Federal	$295	$ 208
State	42	43
	337	251
Deferred:		
Federal	(78)	(95)
State	(10)	(13)
	(88)	(108)
	$249	$ 143

The following is a summary of the significant components of the Company's deferred tax assets and liabilities:

	December 31, 2000	August 31, 2001
Deferred tax assets:		
Deferred revenue	$239	$339
Accelerated amortization	421	395
Bad debt allowance	97	105
Expenses not currently deductible	10	15
Other	40	61
	$807	$915

A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate is as follows:

	December 31, 2000	August 31, 2001
Federal statutory rate	34.0%	34.0%
State income taxes, net of federal benefit	2.7%	4.6%
Nondeductible expenses	9.5%	6.0%
Other	0.7%	0.2%
	46.9%	44.8%

9. Retirement Plan

The Company maintains a 401(k) Retirement Savings Plan (the Plan) for the benefit of substantially all full-time employees who have attained 21 years of age and one year of service. Employees may make elective deferrals in any amount from 2% to 24% of gross earnings. The Company may make discretionary contributions to the Plan, which are established annually prior to Plan year end for the following Plan year. The Company did not make any contributions to the Plan for the year ended December 31, 2000 or the eight months ended August 31, 2001.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Rebis:

We have audited the accompanying consolidated balance sheets of Rebis (a California corporation) and subsidiaries as of September 30, 2000 and 2001, and the related consolidated statements of operations, redeemable convertible stock and shareholders' equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rebis and subsidiaries as of September 30, 2000 and 2001, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Philadelphia, Pennsylvania

March 29, 2002

REBIS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	September 30,		December 31,
	2000	2001	2001
			(unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,836	$ 2,112	$ 2,971
Accounts receivable, net of allowance of $133, $139 and $138, respectively	2,020	2,313	2,008
Deferred income taxes	698	596	596
Prepaid and other current assets	96	75	208
Total current assets	5,650	5,096	5,783
Property and equipment, net	491	404	376
Deferred income taxes	52	41	41
Other assets	67	245	214
	$ 6,260	$ 5,786	$ 6,414
LIABILITIES, REDEEMABLE CONVERTIBLE STOCK AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Current portion of capital lease obligations	$ 209	$ 80	$ 80
Accounts payable	737	638	751
Accrued payroll and related expenses	718	881	856
Other accrued liabilities	740	886	987
Deferred revenues	2,705	3,186	3,366
Income taxes payable	78	64	92
Total current liabilities	5,187	5,735	6,132
Deferred revenues	—	34	—
Capital lease obligations	80	—	9
Redeemable convertible Series A preferred stock (liquidation value of $2,000)	2,000	—	—
Common stock subject to put right	342	—	—
Total liabilities and redeemable convertible stock	7,609	5,769	6,141
Commitments and contingencies (Note 5)			
Shareholders' equity (deficit):			
Common stock, no par value; 30,000,000 shares authorized; 3,434,643, 3,512,123 and 3,513,523 shares issued and outstanding	1,778	1,936	1,938
Preferred stock, no par value; 9,250,000 shares authorized; none issued or outstanding	—	—	—
Other comprehensive income	—	9	2
Accumulated deficit	(3,127)	(1,928)	(1,667)
Total shareholders' equity (deficit)	(1,349)	17	273
	$ 6,260	$ 5,786	$ 6,414

The accompanying notes are an integral part of these consolidated financial statements.

REBIS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

	Year Ended September 30,		Three Months Ended December 31,	
	2000	2001	2000	2001
			(unaudited)	
Revenues:				
Software license fees	$ 7,593	$ 8,162	$ 2,168	$ 2,083
Maintenance	4,764	5,553	1,257	1,668
Services and other	1,432	2,201	558	574
Total revenues	13,789	15,916	3,983	4,325
Cost of revenues:				
Cost of software license fees	1,443	1,419	374	400
Cost of maintenance	770	930	218	218
Cost of services and other	974	1,443	288	395
Total cost of revenues	3,187	3,792	880	1,013
Gross profit	10,602	12,124	3,103	3,312
Operating expenses:				
Selling and marketing	3,953	4,930	1,097	1,316
Research and development	2,699	3,056	706	874
General and administrative	1,923	2,153	488	724
Total operating expenses	8,575	10,139	2,291	2,914
Income from operations	2,027	1,985	812	398
Interest expense	(64)	(23)	(9)	(2)
Other income, net	27	110	14	8
Income before income taxes	1,990	2,072	817	404
Provision for income taxes	660	798	322	143
Net income	$ 1,330	$ 1,274	$ 495	$ 261
Dividend on redeemable convertible Series A preferred stock	90	75	30	—
Net income applicable to common shareholders	$ 1,240	$ 1,199	$ 465	$ 261
Net income per share:				
Basic	$ 0.35	$ 0.34	$ 0.13	$ 0.07
Diluted	$ 0.31	$ 0.33	$ 0.12	$ 0.07
Shares used in computing net income per share:				
Basic	3,584,643	3,512,123	3,498,643	3,513,523
Diluted	4,297,507	3,854,412	4,211,561	3,525,706

The accompanying notes are an integral part of these consolidated financial statements.

REBIS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE STOCK AND

SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands, except share data)

	Redeemable convertible series A preferred stock		Common stock subject to put right		Shareholders' Equity (Deficit)				
					Common stock		Other comprehensive income	Accumulated deficit	Total shareholder's equity (deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of September 30, 1999	708,230	$ 2,000	150,000	$ 342	3,429,493	$1,770	$ —	$(4,367)	$(2,597)
Issuance of Common stock in connection with stock option exercises	—	—	—	—	5,150	8	—	—	8
Preferred stock dividends paid	—	—	—	—	—	—	—	(90)	(90)
Net income	—	—	—	—	—	—	—	1,330	1,330
Balance as of September 30, 2000	708,230	2,000	150,000	342	3,434,643	1,778	—	(3,127)	(1,349)
Comprehensive income:			—	—					
Net income	—	—	—	—	—	—	—	1,274	1,274
Currency translation adjustment	—	—	—	—	—	—	9	—	9
Total comprehensive income	—	—	—	—	—	—	9	1,274	1,283
Redemption of Common stock subject to put right	—	—	(90,000)	(205)	—	—	—	—	—
Expiration of Common stock subject to put right	—	—	(60,000)	(137)	60,000	137	—	—	137
Issuance of Common stock in connection with stock option exercises	—	—	—	—	17,480	21	—	—	21
Redemption of Preferred stock	(708,230)	(2,000)	—	—	—	—	—	—	—
Preferred stock dividends paid	—	—	—	—	—	—	—	(75)	(75)
Balance as of September 30, 2001	—	—	—	—	3,512,123	1,936	9	(1,928)	17
Comprehensive income (unaudited):			—	—					
Net income (unaudited)	—	—	—	—	—	—	—	261	261
Currency translation adjustment (unaudited)	—	—	—	—	—	—	(7)	—	(7)
Total comprehensive income (unaudited)	—	—	—	—	—	—	(7)	261	254
Issuance of Common stock in connection with stock option exercises (unaudited)	—	—	—	—	1,400	2	—	—	2
Balance as of December 31, 2001 (unaudited)	—	$ —	—	$ —	3,513,523	$1,938	$ 2	$(1,667)	$ 273

The accompanying notes are an integral part of these consolidated financial statements.

REBIS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year Ended September 30,		Three Months Ended December 31,	
	2000	2001	2000	2001
			(unaudited)	
Cash flows from operating activities:				
Net income	$1,330	$ 1,274	$ 495	$ 261
Adjustments to reconcile net income to net cash provided by operating activities–				
Depreciation	432	360	88	84
Deferred income taxes	214	113	52	—
Gain on sale of equipment	(4)	—	—	—
Changes in assets and liabilities:				
Accounts receivable	(62)	(293)	(434)	305
Prepaid expenses	(22)	21	(150)	(133)
Other assets	90	(178)	(10)	31
Accounts payable	268	(99)	(290)	113
Accrued liabilities	33	309	98	76
Deferred revenues	364	515	221	146
Income taxes payable	55	(14)	313	28
Net cash provided by operating activities	2,698	2,008	383	911
Cash flows used in investing activities:				
Purchase of property and equipment	(160)	(273)	(37)	(47)
Cash flows from financing activities:				
Proceeds from issuance of Common stock	8	21	—	2
Payments under capital leases	(368)	(209)	(18)	—
Redemption of Common stock	—	(205)	(205)	—
Redemption of preferred stock	—	(2,000)	(750)	—
Preferred stock dividends paid	(90)	(75)	(30)	—
Net cash provided by (used in) financing activities	(450)	(2,468)	(1,003)	2
Effect of exchange rate changes on cash and cash equivalents	—	9	10	(7)
Increase (decrease) in cash and cash equivalents	2,088	(724)	(647)	859
Cash and cash equivalents, beginning of period	748	2,836	2,836	2,112
Cash and cash equivalents, end of period	$2,836	$ 2,112	$ 2,189	$2,971

The accompanying notes are an integral part of these consolidated financial statements.

REBIS AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(information as of December 31, 2001 and for the three months ended December 31, 2000 and 2001 is unaudited)
(in thousands, except share and per share data)

1. Operations and summary of significant accounting policies:

Background

Rebis (the Company) is a leading developer of discipline-specific applications for the manufacturing plants industry. On January 25, 2002 Bentley Systems Incorporated (Bentley) purchased 12.5% of the common stock of the Company and acquired an option to purchase the remainder of the Company.

Interim Financial Statements

The accompanying consolidated balance sheet as of December 31, 2001, the consolidated statements of redeemable convertible stock and shareholders' equity (deficit) for the three months ended December 31, 2001 and the consolidated statements of operations and cash flows for the three months ended December 31, 2000 and 2001 are unaudited but, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of results for these interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been omitted, although the Company believes that the disclosures included are adequate to make the information presented not misleading. The results of operations for the three months ended December 31, 2001 are not necessarily indicative of the results to be expected for the entire fiscal year or any other interim period.

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Supplemental cash flow information

During the years ended September 30, 2000 and 2001 and the three months ended December 31, 2000 and 2001, the Company paid income taxes of $390, $687, $114 and $44, respectively, and interest of $136, $22, $9 and $2, respectively.

Revenue recognition

The principal sources of the Company's revenues are software license fees, software maintenance and support fees and professional service fees. The Company recognizes revenues in accordance with the provisions of the American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, "Software Revenue Recognition," as amended by SOP 98-4 and SOP 98-9, as well as Technical Practice Aids issued from time to time by the AICPA. License fee revenues relate primarily to perpetual licenses to end-users and are generally recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectibility is considered probable. Software arrangements with customers often include multiple elements, including software products, maintenance and/or other services. The Company recognizes software license fees based upon the residual

method after all elements other than maintenance and support have either been delivered or vendor specific objective evidence (VSOE) of fair value exists for such undelivered elements.

Revenues from software maintenance and support contracts are recognized on a straight-line basis over the term of the contract, which is usually a period of one year. VSOE of fair value of software maintenance and support is determined based on the price charged for the maintenance and support element when sold separately.

Revenues from training and consulting services are recognized as services are performed, based on VSOE, which is determined by reference to the price the customer will be required to pay when the services are sold separately.

Property and equipment

Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful life of the assets which is three years. Leasehold improvements are amortized over the lesser of the estimated useful lives of the improvements or the remaining lives of the related leases.

Cost of maintenance and repairs is charged to expense as incurred. Upon retirement or other disposition, the cost of the asset and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the accompanying statements of operations.

Research and development

Research and development expenditures are charged to operations as incurred. Statement of Financial Accounting Standards (SFAS) No. 86, “Accounting for the Costs of Computer Software to Be Sold, Leased or Otherwise Marketed,” requires capitalization of certain software development costs subsequent to the establishment of technological feasibility. The Company has determined that technological feasibility for its products is generally achieved upon the completion of a working model. Since software development costs have not been significant after the completion of a working model, all such costs have been charged to expense as incurred.

Advertising expense

The Company expenses advertising costs as incurred. Advertising expenses of approximately $105, $152, $33 and $18 were included in selling and marketing expense in the accompanying consolidated statements of operations during the years ended September 30, 2000 and 2001 and the three months ended December 31, 2000 and 2001, respectively.

Income taxes

The Company recognizes deferred income tax assets and liabilities for the expected future tax consequences of temporary differences between financial statement carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse.

Foreign currency translation

Exchange adjustments resulting from transactions denominated in foreign currencies are recognized in income. Exchange adjustments resulting from the translation of financial statements of foreign subsidiaries are reflected as a separate component of shareholders’ equity (deficit). Foreign currency

transaction gains and losses for the years ended September 30, 2000 and 2001 and the three months ended December 31, 2000 and 2001 were not material.

Net income per share

The Company calculates net income per share in accordance with SFAS No. 128, "Earnings Per Share." Pursuant to SFAS No. 128, dual presentation of basic and diluted net income per share is required on the face of the statements of operations for companies with complex capital structures. Basic net income per share is calculated by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution from the exercise or conversion of securities into common stock, such as stock options.

	Year Ended September 30, 2000,		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic net income per share	$1,240	3,584,643	$0.35
Dilutive effect of convertible stock and stock options	—	712,864	
Dividends on redeemable convertible Series A Preferred stock	90	—	
Diluted net income per share	$1,330	4,297,507	$0.31

	Year Ended September 30, 2001,		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic net income per share	$1,199	3,512,123	$0.34
Dilutive effect of convertible stock and stock options	—	342,289	
Dividends on redeemable convertible Series A Preferred stock	75	—	
Diluted net income per share	$1,274	3,854,412	$0.33

	Three Months Ended December 31, 2000,		
	Income (Numerator)	(unaudited) Shares (Denominator)	Per Share Amount
Basic net income per share	$465	3,498,643	$0.13
Dilutive effect of convertible stock and stock options	—	712,918	
Dividends on redeemable convertible Series A Preferred stock	30	—	
Diluted net income per share	$495	4,211,561	$0.12

	Three Months Ended December 31, 2001,		
	Income (Numerator)	(unaudited) Shares (Denominator)	Per Share Amount
Basic net income per share	$261	3,513,523	$0.07
Dilutive effect of stock options	—	12,183	
Diluted net income per share	$261	3,525,706	$0.07

Concentration of credit risk

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents and receivables. The Company maintains an allowance for potential credit losses but historically has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area. The Company's cash and cash equivalents are with financial institutions that the Company believes are of high credit quality.

Fair value of financial instruments

Cash and cash equivalents, accounts receivable, accounts payable, accruals and other current liabilities and deferred subscription revenues are reflected in the accompanying financial statements at fair value due to the short-term nature of those instruments.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Stock-based compensation

The Company has elected to account for its employee stock-based compensation plans following Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its employee stock options. Under APB No. 25, if the exercise price of the Company's employee stock options equals or exceeds the fair market value of the underlying stock on the date of grant, no compensation expense is recognized.

Other comprehensive income

SFAS No. 130, "Reporting Comprehensive Income" established rules for the reporting of comprehensive income and its components. Other comprehensive income consists of net income and foreign currency translation adjustments and is presented in the consolidated statements of redeemable convertible stock and shareholders' equity (deficit).

Recent accounting pronouncements

In June 1999, the Financial Accounting Standards Board (FASB) issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities — Deferral of the Effective Date of FASB Statement No. 133," which defers the effective date of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, issued in June 1998, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts and hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The Company adopted SFAS No. 133 beginning on January 1, 2001. The adoption of this pronouncement did not have any impact on the Company's financial position or results of operations. The Company does not utilize derivatives.

In June 2001, the FASB issued SFAS No. 141, "Business Combinations." SFAS No. 141 addresses financial accounting and reporting for business combinations. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001 and eliminates the pooling-of-interest method of

accounting for business combinations. The Company does not believe that the adoption of this pronouncement will impact the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill and certain other intangibles will not be amortized. Instead, these intangibles will be reviewed annually for impairment and any resulting write-down will be charged to results of operations in the periods in which the recorded value of goodwill and certain intangibles exceeds their fair values. SFAS No. 142 applies to goodwill and certain intangibles assets acquired prior to June 30, 2001, and will be adopted by the Company on January 1, 2002. The Company does not believe that the adoption of this pronouncement will impact the Company's financial position or results of operations.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," that applies to legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, or development and/or the normal operation of a long-lived asset. Under this pronouncement, guidance is provided on measuring and recording the liability. Adoption of SFAS No. 143 is required to be adopted on January 1, 2003. The Company does not believe that the adoption of SFAS No. 143 will impact the Company's financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," that addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of," it removes goodwill from its scope and retains the requirements of SFAS No. 121 regarding the recognition of impairment losses on long-lived assets held for use. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years. The Company does not believe that the adoption of this pronouncement will impact the Company's financial position or results of operations.

2. Property and equipment

Property and equipment consists of the following:

	September 30,		December 31,
	2000	2001	2001
			(unaudited)
Computer equipment	$ 2,684	$ 2,922	$ 2,978
Office furniture and equipment	394	429	429
Leasehold improvements	46	46	46
	3,124	3,397	3,453
Accumulated depreciation	(2,633)	(2,993)	(3,077)
	$ 491	$ 404	$ 376

Depreciation expense for the years ended September 30, 2000 and 2001 and for the three months ended December 31, 2000 and 2001 was $432, $360, $88, and $84, respectively.

3. Preferred stock

The Company's articles of incorporation authorize the issuance of up to 10,000,000 shares of preferred stock. The Company's Board of Directors has the power to issue these shares in one or more series and to secure the rights, preferences, privileges, and restrictions of ownership. On September 30, 1999, the Company issued 708,230 shares of redeemable convertible Series A preferred stock (Series A Preferred Stock) with a stated value of $2.824 per share for an aggregate price of $2,000. The holders of

Series A Preferred Stock have voting rights equal to the number of shares of common stock into which such holder's shares could be converted. Each share of Series A Preferred Stock may, at the option of the holder, be converted into one share of common stock, subject to adjustment. In the event of a qualified initial public offering, as defined, all outstanding shares of Series A Preferred Stock are to be automatically converted into common stock.

The holders of Series A Preferred Stock are entitled to receive cumulative dividends at the annual rate of 6% per share, subject to adjustment. Such dividends accrue from the date of issuance whether or not earned and are payable in cash quarterly when, and as declared, by the Board of Directors.

During the year ended September 30, 2001 these shares were redeemed for $2,000. The Series A Preferred Stock was carried at its current redemption value in the accompanying consolidated balance sheets outside of shareholders' equity (deficit), since the redemption of the Series A Preferred Stock is outside the control of the Company.

4. Stock options

The 1994 Stock Option Plan provides for the granting of nonqualified stock options and incentive stock options for the purchase of common stock to key employees, the option price per share may not be less than 85% of the fair market value of a share on the date the option is granted, the options generally vest over four years and the maximum term of an option may not exceed ten years from the date of grant. In August 1998, the Company's Board of Directors and shareholders approved an amendment to the 1994 Plan to reserve an additional 1,100,000 shares of common stock for issuance upon the exercise of qualified or nonqualified stock options. At September 30, 2001, there are 2,000,000 options authorized under this plan. As of September 30, 2000 and 2001, 954,171 and 922,521 options were outstanding under this plan, respectively.

A summary of the activity under the stock option plan is set forth below:

	Number of Shares	Exercise Price per Share	Weighted Average Exercise Price
Outstanding as of September 30, 1999	786,293	$1.20 — 2.27	$1.24
Granted	256,750	1.20 — 1.70	1.33
Exercised	(5,150)	1.20 — 2.27	1.62
Canceled	(83,722)	1.20 — 2.27	1.29
Outstanding as of September 30, 2000	954,171	$1.20 — 2.27	1.26
Granted	21,000	1.70 — 1.89	1.71
Exercised	(17,480)	1.20	1.20
Canceled	(35,170)	1.20 — 2.27	1.24
Outstanding as of September 30, 2001	922,521	$1.20 — 2.27	1.27
Granted (unaudited)	68,827	2.72 — 3.20	2.80
Exercised (unaudited)	(1,400)	1.20	1.20
Canceled (unaudited)	(1,458)	1.70	1.70
Outstanding as of December 31, 2001 (unaudited)	988,490	$1.20 — 3.20	$1.38

The following is a summary of options outstanding and exercisable by price range as of September 30, 2001:

Options Outstanding			
Price Exercise	Outstanding	Weighted-Average Remaining Contractual Life	Options Exercisable
$1.20	814,521	6.7	649,203
$1.70	83,500	8.7	38,661
$1.89	1,000	9.8	—
$2.27	23,500	5.5	23,500
	922,521	6.9	711,364

The Company accounts for its option grants under Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and the related interpretations. Had compensation cost for the Company’s stock option grants been determined based upon the fair value of the options at the date of grant, as prescribed under SFAS No. 123, “Accounting for Stock Based Compensation,” the Company’s net income for the years ended September 30, 2000 and 2001, would have been adjusted to the pro forma amounts indicated below:

	Year Ended September 30,	
	2000	2001
Net income applicable to common shareholders:		
As reported	$1,240	$1,199
Pro forma	$1,189	$1,141
Net income:		
As reported	$1,330	$1,274
Pro forma	$1,279	$1,216
Net income per share:		
Basic:		
As reported	$ 0.35	$ 0.34
Pro forma	$ 0.33	$ 0.32
Diluted:		
As reported	$ 0.31	$ 0.33
Pro forma	$ 0.30	$ 0.32

The weighted average fair value per share of the options granted during 2000 and 2001 was estimated as $0.96 and $1.20, respectively. The fair value of each option grant is estimated on the date of grant using the Black-scholes option-pricing model with the following weighted average assumptions: volatility — 70%; dividend yield — 0%; risk-free interest rate of 6.4% and 4.6% — on the date of the grant; expected life of options — seven years.

Put option agreement

In connection with a July 1997 licensing of technology from a third party, the Company agreed to buy back the shares of Common stock issued as part of this agreement pursuant to the terms of a put option agreement. A total of 150,000 shares issued under the licensing agreement were outstanding for $2.28 per share, as of September 30, 2000. The put option expires on the earlier of October 31, 2000, sale

or liquidation of the Company, completion of an initial public offering, or the termination of the licensing agreement. During the year ended September 30, 2001, a total of 90,000 shares of stock were repurchased under this option prior to its expiration.

The Common stock subject to put right was carried at its current put value in the accompanying consolidated balance sheets outside of shareholders' equity (deficit)since the redemption of the Common stock subject to the put right is outside the control of the Company. As of September 30, 2001, the put option expired, and accordingly, 60,000 shares were reclassified to Common stock.

5. Commitments and Contingencies

Leases

The Company leases certain facilities and equipment under capital and operating leases expiring at various dates through 2006. Rent expense for all operating leases was approximately $404, $488, $120 and $149 for the years ended September 30, 2000 and 2001 and the three months ended December 31, 2000 and 2001, respectively. The interest rates implicit in the capital leases range from 11% to 17%. As of September 30, 2001, capital lease payments in the amount of $80 are due in 2002. Interest expense on the capital lease obligations was $64, $23, $9 and $2 for the years ended September 30, 2000 and 2001 and the three months ended December 31, 2000 and 2001, respectively.

Future minimum lease payments as of September 30, 2001 are as follows (in thousands):

	Operating Leases
2002	$ 401
2003	401
2004	216
2005	156
2006	130
	$1,304

Litigation

From time to time, the Company is involved in certain legal proceedings arising in the ordinary course of its business. In management's opinion, based upon the advice of counsel, the outcome of such actions are not expected to have a material adverse effect on the Company's future financial position or results of operations.

6. Provision for income taxes

The provision for income taxes consists of the:

	Year ended September 30,	
	2000	2001
Current:		
Federal	$391	$571
State	35	70
Foreign	20	44
	446	685
Deferred:		
Federal	174	3
State	40	11
	214	14
Valuation allowance	—	99
	214	113
	$660	$798

The following is a summary of significant components of the Company's deferred tax assets:

	September 30,	
	2000	2001
Deferred tax assets		
Current—		
Research and development credit carryforwards	$325	$174
Foreign net operating loss carryforwards	—	99
Bad debt allowance	60	60
Deferred revenue	191	196
Accrued expenses	122	166
	698	695
Long-term depreciation	52	41
	750	736
Valuation allowance	—	(99)
Net deferred tax asset	$750	$637

The realization of the deferred tax asset related to the foreign net operating loss carryforwards generated during the year ended September 30, 2001 is uncertain. The Company has, therefore, provided a valuation allowance against the deferred tax asset.

A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate is as follows:

	Year Ended September 30,	
	2000	2001
Federal statutory rate	34.0%	34.0%
Change in valuation allowance	—	4.8
State income taxes, net of federal benefit	0.6	1.2
Nondeductible expenses	1.3	1.2
Research and development credit	(6.0)	(6.7)
Other	3.3	4.0
	33.2%	38.5%

7. Profit-sharing plan

The Company has a 401(k) profit-sharing plan (the Plan) for its eligible employees. All employees, as defined, are eligible to participate after completion of three months of employment with the Company. Employee contributions to the Plan are subject to specific statutory limitations. The pre-tax voluntary contributions are limited to 20% of the aggregate compensation paid to the employee in all years of participation in the Plan. The Company's contribution to the Plan is discretionary. The Company has contributed 50% of employee contributions up to a maximum of $1 per employee which totaled approximately $61 for the years ended September 30, 2000 and 2001.

8. Segments and geographic data

The Company views its operations and manages its business as one segment, the development and marketing of computer software and related services. The Company markets its products and services through the Company's offices in the United States and its subsidiaries. North America includes the United States and Canada. Latin and South America includes Mexico.

	Year Ended September 30,		Three Months Ended December 31,	
	2000	2001	2000	2001
			(unaudited)	
Revenues:				
North America	$ 8,441	$ 8,581	$2,002	$2,241
Europe, the Middle East and Africa	3,089	4,826	1,337	1,260
Asia/Pacific	1,593	1,839	331	468
Latin and South America	666	670	313	356
	$13,789	$15,916	$3,983	$4,325

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

BASIS OF PRESENTATION
(UNAUDITED)

The following unaudited pro forma combined condensed statements of operations for the year ended December 31, 2001 are based on the historical consolidated financial statements of Bentley Systems, Incorporated (Bentley or the Company) as adjusted to illustrate the estimated effects of the following transactions as if each transaction occurred on January 1, 2001:

- The acquisition of GEOPAK Corporation (GEOPAK) on September 18, 2001;
- The proposed acquisition of Rebis after the closing of the Offering; and
- The repayment of the Acquisition Note due to Intergraph from proceeds of the proposed Offering.

The following unaudited pro forma combined condensed balance sheet as of December 31, 2001 is based on the historical consolidated financial statements of Bentley, as adjusted to illustrate the estimated effects of the following transactions as if each transaction occurred on December 31, 2001:

- The redesignation of Class A common stock as “common stock,” and the conversion of all other outstanding capital stock into common stock and the issuance of shares of common stock upon the automatic exercise, on a net issuance basis, of certain warrants held by certain executive officers and others.
- The issuance of shares of common stock for the proposed acquisition of Rebis, the sale of shares of common stock at an assumed Offering price of $ per share, the application of the net proceeds including the payment of $ million in cash to fund a portion of the proposed acquisition of Rebis and $ million in cash to repay the Acquisition Note due to Intergraph Corporation.

The unaudited pro forma combined condensed financial statements give effect to the GEOPAK and Rebis acquisitions under the purchase method of accounting. These statements are based on the historical financial statements of Bentley, GEOPAK and Rebis and assumptions set forth below and in the notes to the unaudited pro forma combined condensed financial statements.

The pro forma adjustments for the Rebis acquisition are based upon preliminary estimates, currently available information and certain assumptions that management deems appropriate. The unaudited pro forma combined condensed financial statements presented herein are not necessarily indicative of the combined results that Bentley would have obtained had such events occurred at the beginning of the period, as assumed, or of the future results of Bentley. The unaudited pro forma combined condensed financial statements should be read in connection with the other historical financial statements and notes thereto included elsewhere in this prospectus.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

PRO FORMA COMBINED CONDENSED BALANCE SHEET

DECEMBER 31, 2001 (UNAUDITED)

	Bentley	Rebis	Adjustments	Pro forma
ASSETS				
Current assets:				
Cash and cash equivalents	$ 12,994	$ 2,971		
Accounts receivable, net	62,183	2,008		
Income tax receivable	2,059	—		
Deferred income taxes	6,133	596		
Prepaid and other current assets	4,378	208		
Total current assets	87,747	5,783		
Property and equipment, net	19,679	376		
Intangible assets, net of accumulated amortization of $13,897	49,665	—		
Investments in affiliates	2,122	—		
Other assets	2,525	255		
	$161,738	$ 6,414	$	$
LIABILITIES, REDEEMABLE CONVERTIBLE SECURITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Short-term borrowings	$ 357	$ —		
Current maturities of long-term debt	9,774	80		
Accounts payable	8,273	751		
Accruals and other current liabilities	19,320	1,843		
Deferred subscriptions revenues	56,485	3,366		
Income taxes payable	2,684	92		
Total current liabilities	96,893	6,132		
Long-term debt	14,386	9		
Deferred income taxes	819	—		
Deferred subscriptions revenues	3,012	—		
Deferred compensation	5,261	—		
Redeemable convertible Series A preferred stock (liquidation value of $24,753)	24,753	—		
Redeemable convertible Class C common stock	8,690	—		
Redeemable convertible Class D common stock	5,910	—		
Redeemable common stock warrants	1,740	—		
Total liabilities and redeemable convertible securities	161,464	6,141		
Stockholders' equity:				
Class A and Class B Common stock, par value $0.01; 90,000,000 shares authorized (actual), 100,000,000 shares authorized (pro forma); 24,959,724 shares issued (actual); shares issued (pro forma)	250	1,938		
Additional paid-in capital	18,250	—		
Notes receivable from stockholders	(6,241)	—		
Other comprehensive (loss) income	(7,632)	2		
Retained earnings (accumulated deficit)	6,254	(1,667)		
Less — Treasury stock; 2,031,750 shares at cost	(10,607)	—		
Total stockholders' equity	274	273		
	$161,738	$ 6,414	$	$

The accompanying notes are an integral part of this balance sheet.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2001 (UNAUDITED)
(in thousands, except share and per share data)

	Historical				
	Bentley	GEOPAK	Rebis		
	Year ended December 31, 2001	January 1, 2001 to August 31, 2001	Year ended December 31, 2001	Pro forma Adjustments	Pro forma
Revenues	$202,610	$7,911	$16,258		
Cost of revenues	54,681	4,934	3,925		
Gross profit	147,929	2,977	12,333		
Operating expenses:					
Research and development	40,526	352	3,224		
Selling and marketing	74,686	730	5,149		
General and administrative	16,259	1,823	2,389		
Amortization of acquired intangibles	6,487	—	—		
Total operating expenses	137,958	2,905	10,762		
Income from operations	9,971	72	1,571		
Interest expense, net	(3,462)	—	(16)		
Other income, net	188	247	104		
Income before income taxes	6,697	319	1,659		
Provision for income taxes	2,612	143	619		
Net income	$ 4,085	$ 176	$ 1,040		
Deemed Dividends on redeemable convertible Series A Preferred stock, Senior redeemable convertible Class C and Class D common stock	7,014	—	—		
Cash Dividends on Senior redeemable convertible Class C common stock and Rebis preferred stock	2,315	—	45		
Net income (loss) applicable to common stockholders	$ (5,244)	$ 176	$ 995	$	$
Pro forma net income (loss) per share:					
Basic					$
Diluted					$
Shares used in computing pro forma net income (loss) per share:					
Basic					
Diluted					

The accompanying notes are an integral part of this statement.

BENTLEY SYSTEMS, INCORPORATED AND SUBSIDIARIES

NOTES TO PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

(UNAUDITED)

1. Historical Financial Statements

The historical financial information represents the financial position and results of operations for Bentley, GEOPAK and Rebis and was derived from the financial statements of the respective companies. The Bentley financial information was derived from audited financial statements included herein. The Geopak financial information was derived from audited financial statements included herein. The Rebis financial information was derived from its unaudited financial statements.

The Company has included audited and unaudited historical financial statements for the GEOPAK and Rebis acquisitions in accordance with Securities and Exchange Commission Regulation S-X Rule No. 3-05. The unaudited pro forma consolidated financial statements should be read in conjunction with the other historical financial statements and notes thereto included elsewhere in this Registration Statement.

2. Acquisition of Rebis

The acquisition of Rebis will be recorded under the purchase method of accounting. The purchase price and preliminary allocation of the purchase price to the net assets acquired are as follows:

Purchase price —	
Cash	$
Value of common stock	
Value of options issued to purchase common stock	
	$
Purchase price allocation —	
Current assets	$
Property and equipment	
Other assets	
Intangible assets	
Current liabilities	
Long-term liabilities	
	$

The final purchase price allocation will be based on the net assets acquired as of the closing date of the transaction.

3. Pro Forma Combined Condensed Balance Sheet — Pro Forma Adjustments as of December 31, 2001

(a) To reflect, upon the closing of the Offering, the conversion of all outstanding convertible capital stock into the Company's common stock and the issuance of shares of the Company's common stock upon the automatic exercise, on a net issuance basis, of certain warrants held by certain of the Company's executive officers and others. Additionally, the Class A common stock will be redesignated as "common stock" upon the closing of the offering.

(b) To reflect the sale of shares of the Company's common stock at an assumed initial public offering price of $ per share and the application of the net proceeds as described under "Use of Proceeds", including $ to repay the Acquisition Note.

(c) To record the acquisition of Rebis.

4. 2001 Pro Forma Combined Condensed Statement of Operations — Pro Forma Adjustments

GEOPAK

(a) Represents increase in historical amortization expense as a result of an allocation of the purchase price (see Note 2 to Notes to Consolidated Financial Statements of Bentley).

Amortizable Assets	Estimated Fair Values	Amortization Period	Pro Forma Expense
Software and technology	$2,050	3 years	$683
Customer relationships	1,940	10 years	194
Pro forma amortization expense			877
Historical — 2001 amortization			292
Pro forma increase in amortization from GEOPAK acquisition			$585

Rebis

(b) Represents increase in historical amortization expense as a result of an allocation of the Rebis acquisition purchase price (see Note 3 to Notes to Consolidated Financial Statements of Bentley).

Amortizable Assets	Estimated Fair Values	Amortization Period	Pro Forma Expense
Customer relationships	$		$
Software and technology			
Pro forma amortization expense			
Historical — 2001 amortization			—
Pro forma increase in amortization from Rebis acquisition			$

(c) Represents the elimination of certain intercompany transactions between Bentley and GEOPAK.

(d) Represents decrease in interest expense on the Acquisition Note, which was repaid from the proceeds of the Offering, as if the Acquisition Note was repaid on January 1, 2001.

(e) Represents the impact of applying the Company's effective tax rate for the year ended December 31, 2001.

5. Unaudited Pro Forma Basic and Diluted Net Income Per Share

Unaudited pro forma basic and diluted net income (loss) per share has been calculated using the net income (loss) before dividends or Preferred Stock, Class C Common Stock and Class D Common Stock and assumes the conversion of all outstanding shares of Preferred Stock, Class C Common Stock and Class D Common Stock into shares of common stock, as if the shares had converted immediately upon their issuance. In addition, the shares of common stock issued in connection with the proposed Rebis acquisition are included in the calculation.

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

TABLE OF CONTENTS

Until , 2002 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

Shares

Common Stock

LEHMAN BROTHERS

DEUTSCHE BANK SECURITIES

SG COWEN

WACHOVIA SECURITIES

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following is an estimate of all expenses (subject to future contingencies) incurred or expected to be incurred by Bentley Systems, Incorporated in connection with the issuance and distribution of the securities being offered hereby (other than underwriting discounts and commissions and underwriters' non-accountable expense allowance):

Securities and Exchange Commission registration fee	$15,870
NASD filing fee	17,750
New York Stock Exchange filing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses (including legal fees)	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	$ *

* To be supplied by amendment.

Item 14. Indemnification of Directors and Officers.

The registrant's amended and restated certificate of incorporation, currently states that a director of the registrant shall have no personal liability to the registrant or its stockholders for monetary damages for breach of fiduciary duty as a director except to the extent that Section 102(b)(7) (or any successor provision) of the Delaware General Corporation Law, as amended from time to time, expressly provides that the liability of a director may not be eliminated or limited. No amendment or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director of the registrant for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

The registrant's amended and restated by-laws require the registrant to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the registrant, or is or was serving while a director or officer of the registrant at its request as a director, officer, employee, agent, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the full extent permissible under Delaware law. Any person claiming indemnification as provided in the by-laws shall be entitled to advances from the registrant for payment of the expenses of defending actions against such person in the manner and to the full extent permissible under Delaware law. On the request of any person requesting indemnification under such provisions, the board of directors of the registrant or a committee thereof shall determine whether such indemnification is permissible or such determination shall be made by independent legal counsel if the board or committee so directs or if the board or committee is not empowered by statute to make such determination.

The indemnification and advancement of expenses provided by the by-laws shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any insurance or other agreement, vote of stockholders or disinterested directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding

an office and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person. The registrant shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the registrant or is or was serving at its request as a director, officer, employee, agent, fiduciary or other representative of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the registrant would have the power to indemnify him against such liability under the provisions of the by-laws.

The duties of the registrant to indemnify and to advance expenses to a director or officer provided in the by-laws shall be in the nature of a contract between the registrant and each such director or officer and no amendment or repeal of any such provision of the by-laws shall alter, to the detriment of such director or officer, the right of such person to the advancement of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal or termination.

Delaware law also permits indemnification in connection with a proceeding brought by or in the right of the registrant to procure a judgment in its favor. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in that Securities Act and is therefore unenforceable. The registrant has directors and officers liability insurance.

The underwriting agreement filed as Exhibit 1.1 to this registration statement contains provisions indemnifying our officers and directors, against liabilities arising, under the Securities Act, or otherwise.

Item 15. Recent Sales of Unregistered Securities.

Except as set forth below, during the past three years, Bentley Systems, Incorporated has issued unregistered securities to a limited number of persons as described below.

(a) Since 1995, the registrant granted options under its 1995 Stock Option Plan to purchase an aggregate of 1,075,080 shares of Class A common stock to certain of its employees and executive officers. The options had an exercise price of $2.535 or $8.37 per share. Such issuances were made without consideration and any exercises thereof did not constitute sales of a security within the meaning of the Securities Act or, alternatively, were made pursuant to Section 4(2) of the Securities Act or Rule 506, Rule 701 or Regulation S promulgated thereunder.

(b) Since 1997, the registrant granted options under its 1997 Stock Option Plan to purchase an aggregate of 4,035,198 shares of Class B common stock to certain of its employees and executive officers. The options had various exercise prices, ranging from $2.22 to $10.00 per share. Such issuances were made without consideration and any exercises thereof did not constitute sales of a security within the meaning of the Securities Act or, alternatively, were made pursuant to Section 4(2) of the Securities Act or Rule 506, Rule 701 or Regulation S promulgated thereunder.

(c) The registrant issued an aggregate of 63,568 shares of Class B common stock to UMB Bank, N.A., as trustee of the registrant's profit sharing/ 401(k) plan. Such issuances were made as contribution to the registrant's profit sharing/401(k) plan for the benefit of U.S. employees and did not constitute sales of a security within the meaning of the Securities Act or, alternatively, were made pursuant to Section 4(2) of the Securities Act or Rule 701 promulgated thereunder.

(d) On August 6, 1999, the registrant sold an aggregate of 1,000,000 shares of Class A common stock to certain of our executive officers for an aggregate of $5.1 million. The foregoing purchases and sales were exempt from registration under the Securities Act pursuant to Section 4(2) and Rule 506 promulgated thereunder.

(e) In connection with the registrant's acquisition of HMR Inc. on May 31, 2000, the registrant issued 40,274 shares of Class B common stock and 221,318 shares of one of its Canadian subsidiaries

(such shares are exchangeable into shares of Class B common stock on a one-for-one basis) to the stockholders of HMR Inc. The issuance of these shares was exempt from registration under the Securities Act pursuant Regulation S promulgated thereunder.

(f) On December 26, 2000, the registrant issued 75,000 shares of Senior Class C common stock and warrants to purchase up to 1,040,000 shares of Class B common stock to six accredited investors for $7,500,000. Three of the six purchasers were directors and executive officers of the registrant. The foregoing purchases and sales were exempt from registration under the Securities Act pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder.

(g) On December 26, 2000, the registrant issued warrants to purchase up to 988,290 shares of Class B common stock to two U.S. commercial banks in consideration for providing the registrant with a $32 million revolving credit facility. The issuance of these warrants was exempt from registration under the Securities Act pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder.

(h) On July 2, 2001, the registrant issued warrants to purchase up to 579,984 shares of Class B common stock to three of its executive officers and directors and their respective spouses in consideration for their guaranty of a portion of the registrant's $32 million revolving credit facility. The issuance of these warrants was exempt from registration under the Securities Act pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder.

(i) On July 2, 2001, the registrant issued 26,000 shares of Senior Class C common stock and warrants to purchase up to 360,533.34 shares of Class B common stock to two accredited investors, one of whom was an executive officer, for $2,600,000. The foregoing purchases and sales were exempt from registration under the Securities Act pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder.

(j) On September 18, 2001, the registrant issued 40,000 shares of Senior Class C common stock, 480,000 shares of Class D common stock and warrants to purchase up to 554,667 shares of Class B common stock to the stockholders of Geopak Corporation in consideration for the merger of Geopak Corporation with and into one of the registrant's wholly-owned subsidiaries. The issuance of these shares and warrants was exempt from registration under the Securities Act pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder.

(k) Pursuant to a Purchase and Option Agreement dated January 25, 2002, among the registrant and the stockholders of Rebis, entered into in connection with the registrant's proposed acquisition of Rebis, the registrant expects to issue approximately shares of its common stock to the stockholders of Rebis. The issuance of these shares will be exempt from registration under the Securities Act pursuant to Section 4(2) thereof and Rule 506 promulgated thereunder.

None of the foregoing transactions involved any underwriters, underwriting discounts and commissions, or any public offering. The recipients in such transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution and appropriate legends were affixed to the share certificates and instruments issued in those transactions.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits:

Exhibit Number	Description
1.1	Form of Underwriting Agreement.#
2.1	Asset Purchase Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, Bentley Systems Europe BV, Intergraph Corporation and various direct and indirect majority subsidiaries of Intergraph Corporation identified on the signature pages thereto.*

Exhibit Number	Description
2.2	Amendment No. 1 to Asset Purchase Agreement, dated December 7, 2001, among Bentley Systems, Incorporated and Intergraph Corporation.*
2.3	Agreement and Plan of Merger, dated September 18, 2001, among Bentley Systems, Incorporated, GP Acquisition Sub, Inc., Geopak Corporation, Francisco Norona, Gabriel Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack.*
2.4	Stock Purchase Agreement, dated as of April 26, 2000, among Bentley Systems, Incorporated, HMR Inc., 9090-0952 Quebec, Inc., 9090-0960 Quebec Inc., Societe Innovatech Quebec et Chaudiere Applaches and the stockholders of HMR Inc. named therein.*
2.5	Purchase and Option Agreement, dated January 25, 2002, among Bentley Systems, Incorporated, Rebis and the stockholders of Rebis named therein.*
3.1	Certificate of Incorporation of Bentley Systems, Incorporated, as amended.*
3.2	Form of Amended and Restated Certificate of Incorporation of Bentley Systems, Incorporated (to be filed immediately prior to the closing of this offering).#
3.3	By-laws of Bentley Systems, Incorporated, as amended.*
3.4	Form of Amended and Restated By-laws of Bentley Systems (to be adopted immediately prior to the closing of this offering).#
4.1	Rights Agreement between Bentley Systems, Incorporated and dated as of , 2002.#
4.2	Form of Common Stock Certificate.#
5.1	Opinion of Drinker Biddle & Reath LLP regarding legality of securities being registered.#
10.1	Revolving Credit and Security Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, Bentley Software, Inc., Atlantech Solutions, Inc., PNC Bank, National Association, as agent and the lenders named therein.*
10.2	First Amendment to Revolving Credit and Security Agreement, dated October 4, 2001, among Bentley Systems, Incorporated, Bentley Software, Inc., Atlantech Solutions, Inc., PNC Bank, National Association, as agent, and the lenders named therein.*
10.3	Second Amendment and Joinder to Revolving Credit and Security Agreement, dated February 4, 2002, among Bentley Systems, Incorporated, Bentley Software, Inc., Atlantech Solutions, Inc., Geopak Corporation, PNC Bank, National Association, as agent, and the lenders named therein.*
10.4	Form of Promissory Note, dated August 6, 1999, payable to the order of Bentley Systems, Incorporated.*
10.5	Secured Note, dated December 1, 2000, with Bentley Systems, Incorporated as maker and Intergraph Corporation as payee.*
10.6	Security Agreement, dated as of December 26, 2000, between Bentley Systems, Incorporated and Intergraph Corporation.*
10.7	Escrow Agreement, dated as of September 18, 1998, among Bentley Systems, Incorporated, Bachow Investment Partners III, L.P. and Wilmington Trust Company, as escrow agent.*
10.8	Bentley Systems, Incorporated 1995 Stock Option Plan, adopted on March 28, 1995.*
10.9	Bentley Systems, Incorporated 1997 Stock Option Plan, adopted on September 29, 1997.*
10.10	Bentley Systems, Incorporated Amendment No. 1 to the 1997 Stock Option Plan, adopted on February 17, 2000.*
10.11	Bentley Systems, Incorporated 2002 Stock Option Plan, adopted on , 2002.#
10.12	Bentley Systems, Incorporated Non-employee Director Stock Option Plan, adopted on , 2002.#
10.13	Description of Executive Incentive Plan.#
10.14	Description of Bentley Incentive Plan.#
10.15	Form of Common Stock Purchase Warrant issued by Bentley Systems, Incorporated.*

Exhibit Number	Description
10.16	Form of Warrant Purchase Agreement dated December 26, 2000.*
10.17	Form of Common Stock Purchase Warrant, dated December 26, 2000, issued by Bentley Systems, Incorporated to PNC Bank, National Association and Citicorp USA, Inc.*
10.18	Form of Common Stock Purchase Warrant, dated July 2, 2001, issued by Bentley Systems, Incorporated.*
10.19	Form of Stock Pledge Agreement, dated August 6, 1999.*
10.20	Form of Deferred Compensation Agreement, dated August 6, 1999.*
10.21	Promissory Note, dated January 14, 2002, executed by Gregory and Caroline Bentley payable to the order of Bentley Systems, Incorporated in the original principal amount of $229,400.*
10.22	Pledge Agreement, dated January 14, 2002, between Gregory and Caroline Bentley and Bentley Systems, Incorporated.*
10.23	Warehouse and Shipping Outsourcing Agreement, dated as of October 1, 2001, between Bentley Systems, Incorporated and VideoRay, LLC.*
10.24	Securities Purchase Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, the purchasers of Senior Class C common stock and Common Stock Purchase Warrants named therein, and, solely for the purposes of Sections 4.1(b) and 4.2, Raymond B. Bentley and Richard P. Bentley.*
10.25	Amendment to Securities Purchase Agreement, dated July 2, 2001, among Bentley Systems, Incorporated, the purchasers of Senior Class C common stock and Common Stock Purchase Warrants named therein.*
10.26	Joinder and Amendment to Securities Purchase Agreement, dated September 18, 2001, among Bentley Systems, Incorporated, Gabriel Norona, Francisco Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack.*
10.27	Amended and Restated Information and Registration Rights Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Cristobal Conde, David Ehret, Robert Greifeld, Bachow Investment Partners, III, L.P., PNC Bank, National Association and Citibank, N.A.*
10.28	Amendment to Amended and Restated Information and Registration Rights Agreement, dated July 2, 2001, among Bentley Systems, Incorporated, Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Bachow Investment Partners III, L.P., PNC Bank, National Association, Citibank, N.A. and Cristobal Conde and David Ehret.*
10.29	Joinder to Amended and Restated Information and Registration Rights Agreement, dated September 18, 2001, by and among Bentley Systems, Incorporated, Gabriel Norona, Francisco Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack.*
10.30	Settlement Agreement, dated March 26, 1999, between Bentley Systems, Incorporated and Intergraph Corporation.*
10.31	Employment Agreement between Bentley Systems, Incorporated and Greg Bentley.#
10.32	Employment Agreement between Bentley Systems, Incorporated and Keith A. Bentley.#
10.33	Employment Agreement between Bentley Systems, Incorporated and Barry J. Bentley, Ph.D.#
10.34	Employment Agreement between Bentley Systems, Incorporated and Raymond B. Bentley.#
10.35	OpenDWG Alliance Founding Membership Agreement (Amended and Restated), dated August 9, 1999, between Bentley Systems, Incorporated and OpenDWG Alliance, as amended.*
10.36	Product Integration and Marketing Agreement, dated October 13, 1997, between Bentley Systems, Incorporated and Electronic Data Systems Corporation, as amended.*+
21	Subsidiaries of Bentley Systems, Incorporated.*

Exhibit Number	Description
23.1	Consent of Arthur Andersen LLP.*
23.2	Consent of Drinker Biddle & Reath LLP (to be included in Exhibit 5.1).#
24.1	Power of Attorney (included on signature page).*
99.1	Letter regarding Arthur Andersen LLP.*

* Filed herewith.

\# To be filed by amendment.

\+ Confidential information has been omitted from these exhibits and filed separately with the Securities and Exchange Commission accompanied by a confidential treatment request pursuant to Rule 406 under the Securities Act of 1933, as amended.

(b) Financial Statement Schedules

All information for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission is either included in the financial statements or is not required under the related instructions or is inapplicable and therefore has been omitted.

Item 17. Undertakings.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purposes of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) It will provide to the underwriter at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Exton, Pennsylvania on April 23, 2002.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ GREG BENTLEY

Greg Bentley
Chief Executive Officer, President and
Chairman of the Board

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Greg Bentley and David Nation or each of them acting alone, his or her true and lawful attorney-in-fact and agent, with full power of substitution and revocation, for him or her and in his or her name, place and stead, in any and all capacities, to sign (1) any and all amendments (including post-effective amendments) to this Registration Statement and to file the same with all exhibits thereto and other documents in connection therewith and (2) any registration statement and any and all amendments thereto, relating to the offer covered hereby filed pursuant to Rule 462(b) under the Securities Act of 1933, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons, in the capacities indicated, on the 23rd day of April, 2002.

Signature	Title
/s/ GREG BENTLEY Greg Bentley (Principal Executive Officer)	Chief Executive Officer, President, Chairman of the Board and Director
/s/ MALCOLM S. WALTER Malcolm S. Walter (Principal Financial Officer)	Chief Financial Officer and Senior Vice President
/s/ JAMES A. KING James A. King (Principal Accounting Officer)	Vice President, Finance
/s/ KEITH A. BENTLEY Keith A. Bentley	Director and Co-Chief Technology Officer

Signature	Title
/s/ BARRY J. BENTLEY Barry J. Bentley, Ph.D.	Director and Co-Chief Technology Officer
/s/ KIRK B. GRISWOLD Kirk B. Griswold	Director

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement.#
2.1	Asset Purchase Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, Bentley Systems Europe BV, Intergraph Corporation and various direct and indirect majority subsidiaries of Intergraph Corporation identified on the signature pages thereto.*
2.2	Amendment No. 1 to Asset Purchase Agreement, dated December 7, 2001, among Bentley Systems, Incorporated and Intergraph Corporation.*
2.3	Agreement and Plan of Merger, dated September 18, 2001, among Bentley Systems, Incorporated, GP Acquisition Sub, Inc., Geopak Corporation, Francisco Norona, Gabriel Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack.*
2.4	Stock Purchase Agreement, dated as of April 26, 2000, among Bentley Systems, Incorporated, HMR Inc., 9090-0952 Quebec, Inc., 9090-0960 Quebec Inc., Societe Innovatech Quebec et Chaudiere Applaches and the stockholders of HMR Inc. named therein.*
2.5	Purchase and Option Agreement, dated January 25, 2002, among Bentley Systems, Incorporated, Rebis and the stockholders of Rebis named therein.*
3.1	Certificate of Incorporation of Bentley Systems, Incorporated, as amended.*
3.2	Form of Amended and Restated Certificate of Incorporation of Bentley Systems, Incorporated (to be filed immediately prior to the closing of this offering).#
3.3	By-laws of Bentley Systems, Incorporated, as amended.*
3.4	Form of Amended and Restated By-laws of Bentley Systems (to be adopted immediately prior to the closing of this offering).#
4.1	Rights Agreement between Bentley Systems, Incorporated and dated as of , 2002.#
4.2	Form of Common Stock Certificate.#
5.1	Opinion of Drinker Biddle & Reath LLP regarding legality of securities being registered.#
10.1	Revolving Credit and Security Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, Bentley Software, Inc., Atlantech Solutions, Inc., PNC Bank, National Association, as agent and the lenders named therein.*
10.2	First Amendment to Revolving Credit and Security Agreement, dated October 4, 2001, among Bentley Systems, Incorporated, Bentley Software, Inc., Atlantech Solutions, Inc., PNC Bank, National Association, as agent, and the lenders named therein.*
10.3	Second Amendment and Joinder to Revolving Credit and Security Agreement, dated February 4, 2002, among Bentley Systems, Incorporated, Bentley Software, Inc., Atlantech Solutions, Inc., Geopak Corporation, PNC Bank, National Association, as agent, and the lenders named therein.*
10.4	Form of Promissory Note, dated August 6, 1999, payable to the order of Bentley Systems, Incorporated.*
10.5	Secured Note, dated December 1, 2000, with Bentley Systems, Incorporated as maker and Intergraph Corporation as payee.*
10.6	Security Agreement, dated as of December 26, 2000, between Bentley Systems, Incorporated and Intergraph Corporation.*
10.7	Escrow Agreement, dated as of September 18, 1998, among Bentley Systems, Incorporated, Bachow Investment Partners III, L.P. and Wilmington Trust Company, as escrow agent.*
10.8	Bentley Systems, Incorporated 1995 Stock Option Plan, adopted on March 28, 1995.*
10.9	Bentley Systems, Incorporated 1997 Stock Option Plan, adopted on September 29, 1997.*
10.10	Bentley Systems, Incorporated Amendment No. 1 to the 1997 Stock Option Plan, adopted on February 17, 2000.*

Exhibit Number	Description
10.11	Bentley Systems, Incorporated 2002 Stock Option Plan, adopted on , 2002.#
10.12	Bentley Systems, Incorporated Non-employee Director Stock Option Plan, adopted on , 2002.#
10.13	Description of Executive Incentive Plan.#
10.14	Description of Bentley Incentive Plan.#
10.15	Form of Common Stock Purchase Warrant issued by Bentley Systems, Incorporated.*
10.16	Form of Warrant Purchase Agreement dated December 26, 2000.*
10.17	Form of Common Stock Purchase Warrant, dated December 26, 2000, issued by Bentley Systems, Incorporated to PNC Bank, National Association and Citicorp USA, Inc.*
10.18	Form of Common Stock Purchase Warrant, dated July 2, 2001, issued by Bentley Systems, Incorporated.*
10.19	Form of Stock Pledge Agreement, dated August 6, 1999.*
10.20	Form of Deferred Compensation Agreement, dated August 6, 1999.*
10.21	Promissory Note, dated January 14, 2002, executed by Gregory and Caroline Bentley payable to the order of Bentley Systems, Incorporated in the original principal amount of $229,400.*
10.22	Pledge Agreement, dated January 14, 2002, between Gregory and Caroline Bentley and Bentley Systems, Incorporated.*
10.23	Warehouse and Shipping Outsourcing Agreement, dated as of October 1, 2001, between Bentley Systems, Incorporated and VideoRay, LLC.*
10.24	Securities Purchase Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, the purchasers of Senior Class C common stock and Common Stock Purchase Warrants named therein, and, solely for the purposes of Sections 4.1(b) and 4.2, Raymond B. Bentley and Richard P. Bentley.*
10.25	Amendment to Securities Purchase Agreement, dated July 2, 2001, among Bentley Systems, Incorporated, the purchasers of Senior Class C common stock and Common Stock Purchase Warrants named therein.*
10.26	Joinder and Amendment to Securities Purchase Agreement, dated September 18, 2001, among Bentley Systems, Incorporated, Gabriel Norona, Francisco Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack.*
10.27	Amended and Restated Information and Registration Rights Agreement, dated December 26, 2000, among Bentley Systems, Incorporated, Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Cristobal Conde, David Ehret, Robert Greifeld, Bachow Investment Partners, III, L.P., PNC Bank, National Association and Citibank, N.A.*
10.28	Amendment to Amended and Restated Information and Registration Rights Agreement, dated July 2, 2001, among Bentley Systems, Incorporated, Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Bachow Investment Partners III, L.P., PNC Bank, National Association, Citibank, N.A. and Cristobal Conde and David Ehret.*
10.29	Joinder to Amended and Restated Information and Registration Rights Agreement, dated September 18, 2001, by and among Bentley Systems, Incorporated, Gabriel Norona, Francisco Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack.*
10.30	Settlement Agreement, dated March 26, 1999, between Bentley Systems, Incorporated and Intergraph Corporation.*
10.31	Employment Agreement between Bentley Systems, Incorporated and Greg Bentley.#
10.32	Employment Agreement between Bentley Systems, Incorporated and Keith A. Bentley.#
10.33	Employment Agreement between Bentley Systems, Incorporated and Barry J. Bentley, Ph.D.#
10.34	Employment Agreement between Bentley Systems, Incorporated and Raymond B. Bentley.#

Exhibit Number	Description
10.35	OpenDWG Alliance Founding Membership Agreement (Amended and Restated), dated August 9, 1999, between Bentley Systems, Incorporated and OpenDWG Alliance, as amended.*
10.36	Product Integration and Marketing Agreement, dated October 13, 1997, between Bentley Systems, Incorporated and Electronic Data Systems Corporation, as amended.*+
21	Subsidiaries of Bentley Systems, Incorporated.*
23.1	Consent of Arthur Andersen LLP.*
23.2	Consent of Drinker Biddle & Reath LLP (to be included in Exhibit 5.1).#
24.1	Power of Attorney (included on signature page).*
99.1	Letter regarding Arthur Andersen LLP.*

* Filed herewith.

\# To be filed by amendment.

\+ Confidential information has been omitted from these exhibits and filed separately with the Securities and Exchange Commission accompanied by a confidential treatment request pursuant to Rule 406 under the Securities Act of 1933, as amended.

EXHIBIT 2.1

ASSET PURCHASE AGREEMENT

BY

AND

AMONG

INTERGRAPH CORPORATION,

THE OTHER SELLING ENTITIES SPECIFIED HEREIN,

BENTLEY SYSTEMS, INCORPORATED

AND

BENTLEY SYSTEMS EUROPE BV

ASSET PURCHASE AGREEMENT

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

EXHIBITS

DISCLOSURE SCHEDULES

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of December 26, 2000, by and among INTERGRAPH CORPORATION, a Delaware corporation ("Intergraph"), each of the direct and indirect majority owned subsidiaries of Intergraph identified on the signature pages hereto (collectively with Intergraph, the "Selling Entities"), BENTLEY SYSTEMS, INCORPORATED, a Delaware corporation ("Bentley") and BENTLEY SYSTEMS EUROPE BV, a Netherlands corporation ("BSI Netherlands"). References herein to "Bentley" include, as the context requires, Bentley Systems, Incorporated and its direct and indirect majority owned subsidiaries.

W I T N E S S E T H:

WHEREAS, the Selling Entities desire to sell and transfer to Bentley, and Bentley desires to purchase and acquire from the Selling Entities, the Acquired Assets (as defined below), all on the terms and conditions set forth in this Agreement; and

WHEREAS, Bentley will assume the obligations under the Maintenance Agreements and perform such obligations on behalf of the Selling Entities, and in consideration thereof the Selling Entities will remit to Bentley a portion of the revenues accruing under the Maintenance Agreements, all in accordance with Article VII hereof; and

WHEREAS, the Acquired Assets represent a portion of the Selling Entities' business and the Selling Entities will continue all or portions of their remaining business and operations following the Closing (as defined below);

NOW, THEREFORE, in consideration of the premises, the respective covenants, representations and warranties set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. In addition to other terms defined in this Agreement, the following terms, as used herein, shall have the respective meanings set forth below:

"Acquired Assets" shall mean all of the assets, properties and goodwill of every kind and description (tangible and intangible) that comprise the Civil, Raster and Plotting products, wherever located, and whether or not reflected in the Books and Records of the Selling Entities, to which, or in which, any of the Selling Entities have any right, title or interest as of the Closing Date by reason of ownership, use or otherwise, and the following assets which are directly or principally related to the Civil, Raster and Plotting products: (i) the Intellectual Property and any

and all claims for damages and other relief by reason of any past infringement or misappropriation thereof; (ii) all third-party license agreements (including, without limitation, end-user license agreements for which any of the Selling Entities is the licensor or licensee); (iii) existing customer and supplier lists, end-user registration data and the serial number history, including the serial status (i.e., active, upgraded, void, internal or similar descriptions); (iv) sales and promotional literature; (v) all computer hardware and peripherals (such as networking materials, printers, plotters and supplies) listed on Schedule 1.1(a) which are used in connection with the development, maintenance and testing of the Intellectual Property; (vi) copies of personnel, financial and other Books and Records; (vii) inventories of finished products and all development work-in-progress, version upgrades, Software code (in any media), technical documentation, and of written software tools used for de-bugging, support and/or deployment; (viii) all electronic files containing training materials used in connection with the Civil, Raster and Plotting products; and (ix) all customer trouble reports; provided, however, that the Acquired Assets shall not include the Excluded Assets.

"Affiliate" shall mean any Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person specified (for purposes of this definition, a Person will be deemed to have control of a corporation or other entity if it holds, directly or indirectly, a greater than 50% voting interest in that corporation or other entity).

"Agreed Courts" shall have the meaning ascribed thereto in Section 11.10.

"Assumed Liabilities" shall mean (a) all executory obligations of the Selling Entities pertaining to periods after the Closing with respect to the Maintenance Agreements and to all Contracts that are included in the Acquired Assets, in each case which are specifically identified as Assumed Liabilities in this Agreement and the Schedules, (b) the liabilities listed on Schedule 1.1(b) attached hereto, (c) each Selling Entity's liability to the Transferred Employees for accrued vacation up to one week for each U.S. Transferred Employee, or (d) performance of any valid warranty obligations of any of the Selling Entities for any of the Acquired Assets after Closing to the extent (i) such warranties are 90 days or less, or (ii) such warranties are greater than 90 days and are listed on Schedule 1.1(b).

"Bentley" shall have the meaning ascribed thereto in the preamble.

"Bentley 401(k) Plan" shall have the meaning ascribed thereto in Section 5.9(e).

"Bentley Indemnitees" shall have the meaning ascribed thereto in Section 10.1.

"Bentley Losses" shall have the meaning ascribed thereto in Section 10.1.

"Books and Records" shall mean all accounting, financial reporting, Tax, business, marketing, corporate and other files, documents, instruments, papers, books and records, including without limitation, budgets, projections, ledgers, journals, titles, manuals, Contracts,

agency lists, customer lists, supplier lists, reports, computer files, retrieval programs and operating data or plans, in each case relating to the Acquired Assets.

"BSI Netherlands" shall have the meaning ascribed thereto in the preamble.

"Business Day" shall mean a day on which federally chartered banks located in Philadelphia, Pennsylvania are required or authorized to open for business (other than a Saturday or Sunday).

"CAD II Agreements" shall mean the following Contracts between the Selling Entities and the Government of the United States of America: the Facilities CAD-2 Contract (# N66032-93-D-0021); the NAVSEA CAD-2 Contract (# N66032-91-D-0003); and the NAVAIR CAD-2 Contract (# N66032-94-D-0012).

"Civil" products shall mean all software products distributed by any of the Selling Entities at any time since January 1, 1997 and classified by any of the Selling Entities as part of their Civil software products including, without limitation, those software products and other items of Intellectual Property listed on Schedule 1.1(c) attached hereto.

"Claim" shall have the meaning ascribed thereto in Section 10.3.

"Closing" shall mean those events which occur on the Closing Date for the purpose of consummating the transactions contemplated by this Agreement in accordance with Article II.

"Closing Date" shall mean the date on which the Closing occurs.

"COBRA" shall mean the Congressional Omnibus Budget Reconciliation Act of 1985, together with any amendments and supplements thereto, providing for health care continuation coverage under Section 4980B of the Code or Section 601 et seq. of ERISA.

"Code" shall mean the United States Internal Revenue Code of 1986, as amended, including without limitation any successor revenue code of the United States federal government, together with the rules and regulations promulgated thereunder.

"Consideration" shall have the meaning ascribed thereto in Section 2.2(c).

"Consents" shall mean consents, waivers, permits, clearances, approvals and other authorizations.

"Contract" shall mean any binding contract, agreement, understanding, lease, sublease, license, sublicense, distribution agreement, promissory note, evidence of indebtedness, indenture, instrument, mortgage, insurance policy, annuity or other binding commitment, whether written or oral.

"Cross-License Agreement" shall mean the Cross-License Agreement, dated as of the Closing Date, between the Selling Entities and Bentley, pursuant to which the Selling Entities, on the one hand, and Bentley, on the other hand, will grant a worldwide, non-exclusive, perpetual, royalty-free license to the other with respect to certain intellectual property identified on Schedule 1.1(d) attached hereto.

"Developer" shall have the meaning ascribed thereto in Section 3.24(a).

"DOJ" shall have the meaning ascribed thereto in Section 11.3.

"Employee Pension Benefit Plans" shall have the meaning ascribed thereto in Section 3.19(b).

"Employee Welfare Benefit Plans" shall have the meaning ascribed thereto in Section 3.19(a).

"Engagement Period" shall have the meaning ascribed thereto in Section 3.24(a).

"Environmental Laws" shall mean (a) all Legislative Enactments and Official Actions relating to industrial hygiene, environmental protection, air emissions, water discharges, or the use, analysis, manufacture, transportation, generation, handling, treatment, storage or disposal of any Hazardous or Toxic Substances or the cleanup or remediation of any contamination, together with all rules and regulations promulgated with respect to any of the foregoing; and (b) all Legislative Enactments and Official Actions with respect to property transfer limitations with respect to Hazardous or Toxic Substances, whether or not conditioned upon disclosure or upon permit or approval. Environmental Laws include, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sections 9601 et seq.), the Hazardous Materials Transportation Law (49 U.S.C. Sections 5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901 et seq.), the Federal Water Pollution Act (33 U.S.C. Sections 1251 et seq.), the Clean Air Act (42 U.S.C. Sections 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. Sections 2601 et seq.), the Oil Pollution Act (33 U.S.C. Sections 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. Sections 11001 et seq.), the Occupational Safety and Health Act (29 U.S.C. Sections 651 et seq.), each as amended from time to time, and all other state and local laws, rules, regulations and policies analogous to any of the above.

"Environmental Liabilities" shall mean any obligation or liability arising under or relating to an applicable Environmental Law.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"European Transferred Maintenance Revenues" shall have the meaning ascribed thereto in Section 7.2.

"Excluded Assets" shall mean any asset not used by the Selling Entities in connection with the Civil, Raster or Plotting product lines or which are owned by the Selling Entities and

licensed to Bentley under the Cross-License Agreement, including, without limitation, the following: (a) any cash held by the Selling Entities; (b) any accounts receivable of the Selling Entities including, without limitation, all income, royalties and payments accrued by the Selling Entities as of the Closing with respect to the Acquired Assets; (c) the certificate of incorporation, bylaws, corporate seal, minute books, stock certificates and stock record books, and stock transfer ledgers of the Selling Entities; (d) any general corporate or administrative assets or services furnished by the Selling Entities for the benefit of all of its business units, subsidiaries or divisions, including, without limitation, accounting and legal support and the services; (e) employee benefit agreements, plans or arrangements maintained by the Selling Entities; (f) Tax Returns and such other tax returns and reports, general ledgers and any other books, records, files or correspondence not directly and exclusively pertaining to the Acquired Assets; (g) personnel Books and Records not relating to the Transferred Employees; (h) subject to Section 6.4, the name and mark "Intergraph Corporation"; (i) all Contract rights relating to the CAD II Agreements; (j) all Contracts related to real property of the Selling Entities; (k) any capital stock of Bentley held by the Selling Entities; (l) all real property of the Selling Entities; (m) any of the Selling Entities' right, title and interest in and to its pending or future claims against Intel Corporation, including all of the Selling Entities' rights to sue or make claims for any past or present conduct, action or omission of Intel Corporation; (n) except to the extent set forth in Section 7.1, the Selling Entities' right, title and interest in and to the Maintenance Agreements; and (o) the source and object code for ImageScape Draft and Pixel Pro.

"Expiration Date" shall have the meaning ascribed thereto in Section 7.1.

"FTC" shall have the meaning ascribed thereto in Section 11.3.

"GAAP" shall mean generally accepted accounting principles and practices which are recognized as such by the American Institute of Certified Public Accountants acting through its Financial Accounting Standards Board or other appropriate board or committee; and which are consistently applied for all periods so as to fairly reflect the financial condition, the results of operations and the cash flows of the relevant Person or Persons.

"Hazardous or Toxic Substances" shall mean: all elements, compounds, substances, matrices or mixtures ("Materials or Substances") that are hazardous, toxic, ignitable, reactive or corrosive including without limitation the following: (i) all Materials or Substances (whether or not wastes, contaminants or pollutants) that are or become regulated by any of the Environmental Laws; (ii) all Materials or Substances which are or become defined or described by any of the Environmental Laws as "hazardous" or "toxic" or a "pollutant," "contaminant," "hazardous waste," "extremely hazardous waste," "acutely hazardous waste" or "acute hazardous waste;" and (iii) petroleum, including crude oil or any fraction thereof, asbestos, including asbestos containing materials, and polychlorinated biphenols.

"HIPAA" shall mean the health insurance obligations imposed by Section 9801 of the Code and Part 7 of Subtitle B of Title I of ERISA.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"Indemnified Party" shall have the meaning ascribed thereto in Section 10.3.

"Indemnifying Party" shall have the meaning ascribed thereto in Section 10.3.

"Initial Updated Schedule of Transferred Maintenance" shall have the meaning ascribed thereto in Section 7.1.

"Intellectual Property" shall mean and include all rights, title, and interests in the following items which are directly or principally related to the Civil, Raster and Plotting products, except for such items as are owned by the Selling Entities and licensed to Bentley under the Cross-License Agreement: (a) domestic and foreign patents (including, without limitation, certificates of invention, utility models and other patent equivalents), and all provisional applications, patent applications, and patents issuing therefrom, as well as any division, continuation, continuation in part, reissue, extension, re-examination certification, revival or renewal of any patent, all inventions and subject matter relating to such patents, in any and all forms, and all patents and applications for patents relating to such patents, (b) domestic and foreign trademarks, trade dress, service marks, trade names, icons, logos and slogans and any other indicia of source or sponsorship of goods and services, designs and logotypes related thereto, and all trademark registrations and applications for registration related to such trademarks (including, but not limited to intent to use applications), including those registrations and applications listed in Schedule 1.1(e) hereto, (c) copyrightable works and copyright interests in and to the Civil, Raster and Plotting products and related materials included in the Acquired Assets, including, without limitation, all common-law rights, all registered copyrights and all rights to register and obtain renewals and extensions of copyright registration, together with all copyright interests accruing by reason of international copyright conventions, (d) Inventions, (e) Software and other works of authorship, (f) Trade Secrets, (g) Know-How, (h) all rights necessary to prevent claims of invasion of privacy, rights of publicity, defamation, or any other causes of action arising out of the use, adaptation, modification, reproduction, distribution, sales or display of the Software, (i) except as provided in Section 7.1, all income, royalties, damages and payments accrued after the Closing with respect to the Software and all other rights thereunder, (j) all rights to use all of the foregoing forever or for the applicable term of each right, (k) to the extent material to the Civil, Raster or Plotting products, processes, designs, formulas, semiconductor mask works, industrial models, engineering and technical drawings, prototypes, improvements, discoveries, technology, data and other intellectual or intangible property and/or proprietary rights or interests of the Selling Entities (and all goodwill associated therewith), and (l) all rights to sue for past, present or future infringement, misappropriation or other violations or impairments of any of the foregoing enumerated in subclauses (a) through (k) above, and to collect and retain all damages and profits therefor.

"Intergraph 401(k) Plan" shall have the meaning ascribed thereto in Section 5.9(e).

"Intergraph Indemnitees" shall have the meaning ascribed thereto in Section 10.2.

"Intergraph Losses" shall have the meaning ascribed thereto in Section 10.2.

"Inventions" means all novel devices, processes, compositions of matter, methods, techniques, observations, discoveries, apparatuses, designs, expressions, theories and ideas (including improvements and modifications thereof through the date hereof) directly or principally relating to the Civil, Raster and Plotting products, whether or not patentable.

"IRS" shall mean the United States Internal Revenue Service.

"Know-How" shall mean all scientific, engineering, mechanical, electrical, marketing or practical knowledge and/or experience used directly or principally in connection with the Civil, Raster or Plotting products of the Selling Entities.

"Legal Expenses" of a Person shall mean any and all reasonable out-of-pocket fees, costs and expenses of any kind (including attorneys' and experts' fees) incurred by a Person and its counsel in investigating, preparing for, prosecuting, defending against or providing evidence, producing documents or taking other action with respect to any threatened or asserted Claim.

"Legislative Enactments" shall mean domestic, foreign and international laws (including without limitation common law), treaties, ordinances, regulations and rules at any international, national, federal, state, local or regional level, both as presently existing and as may become effective in the future.

"Lien" shall mean any lien, mortgage, security interest, tax lien, financing statement, pledge, assessment, lease, sublease, adverse claim, levy, charge, hypothecation or other encumbrance of any kind or nature whatsoever including without limitation any conditional sale Contract, title retention Contract or other Contract to give any of the foregoing.

"Local Purchasing Agreement" shall mean any existing local purchasing agreement between Bentley or an Affiliate thereof and Intergraph or an Affiliate thereof which entitles Intergraph or an Affiliate thereof to resell Bentley software products.

"Losses" shall have the meaning ascribed thereto in Section 10.1.

"Maintenance Agreements" shall mean any and all written maintenance agreements containing obligations on the part of any of the Selling Entities to provide maintenance services for any of the Civil, Raster or Plotting products.

"Materials or Substances" shall have the meaning ascribed thereto in the definition of Hazardous or Toxic Substances.

"MCO Date" shall mean December 1, 2000.

"Millennium Compliant" shall mean, with respect to particular Software, that:

(i) The functions, calculations, and other computing processes of such Software (collectively, "Processes") perform in an accurate manner regardless of the date in time on which the Processes are actually performed and regardless of the date input to the Software, whether before, on, or after January 1, 2000, and whether or not the dates are affected by leap years;

(ii) Such Software accepts, stores, sorts, extracts, sequences, and otherwise manipulates date inputs and date values, and returns and displays date values, in an accurate manner regardless of the dates used, whether before, on, or after January 1, 2000;

(iii) Such Software has functioned and will function without interruptions caused by the date in time on which the Processes are actually performed or by the date input thereto, whether before, on, or after January 1, 2000;

(iv) Such Software accepts and responds to two (2) digit year and four (4) digit year date input in a manner that resolves any ambiguities as to the century in a defined, predetermined, and accurate manner;

(v) Such Software displays, prints, and provides electronic output of date information in ways that are unambiguous as to the determination of the century, and all internal fields use (4) digit year date input; and

(vi) Such Software has been tested by the party making the millennium compliance warranty to determine whether such Software is Millennium Compliant. Such party shall deliver the test plans and results of such tests upon written request from the other party. Such party shall notify the other immediately of the results of any tests or any claim or other information that indicates that such Software is not Millennium Compliant.

"Miscellaneous Software Components" shall have the meaning ascribed thereto in the definition of "Software."

"Non-Compete Covenant" shall mean any agreement, provision, covenant or obligation that limits or restricts in any manner whatsoever (whether during any particular period of time from and after the Closing Date, in certain geographic areas or otherwise) the ability of any of the Selling Entities, any of their Affiliates or any of the Transferred Employees (a) to engage in any line of business or to sell any products or services, or (b) to compete with or to obtain products or services from any Person, in each case during any period of time after the Closing Date.

"Non-Owned IP" shall have the meaning ascribed thereto in Section 3.22(b).

"Non-Owned Software" shall have the meaning ascribed thereto in Section 3.23(b).

"Note" shall have the meaning ascribed thereto in Section 2.2(c)(ii).

"Official Action" shall mean any domestic or foreign decision, order, writ, injunction, decree, judgment, award or any determination, both as presently existing or as may become effective in the future, by any Tribunal.

"Owned IP" shall have the meaning ascribed thereto in Section 3.22(a).

"Owned Software" shall have the meaning ascribed thereto in Section 3.23(a).

"PBGC" shall mean the Pension Benefit Guaranty Corporation, an agency of the United States government.

"Permitted Civil Products" shall have the meaning ascribed thereto in Section 5.8.

"Permitted Plotting Products" shall have the meaning ascribed thereto in Section 5.8.

"Person" shall mean any natural person, corporation, limited liability company, general partnership, limited partnership, joint venture, proprietorship, trust, association, unincorporated association, Tribunal or other entity of any kind.

"Plan Asset Transfer" shall have the meaning ascribed thereto in Section 5.9(e).

"Plotting" products shall mean all software products distributed by any of the Selling Entities at any time since January 1, 1997 and classified by any of the Selling Entities as part of their Plotting software products including, without limitation, those software products and other items of Intellectual Property listed on Schedule 1.1(c) attached hereto.

"Preliminary Note Amount" shall have the meaning ascribed thereto in Section 7.1.

"Prime Rate" shall mean a fluctuating rate of interest equal to the prime rate or reference rate of interest announced or published from time to time in the Wall Street Journal on the first business day in each month; provided, however, that in no event shall such interest rate exceed the maximum rate of interest allowed by applicable law.

"Quoted Prices" shall have the meaning ascribed thereto in Section 7.3.

"Raster" products shall mean all software products distributed by any of the Selling Entities at any time since January 1, 1997 and characterized by any of the Selling Entities as the IRAS B, IRAS E or ImageScape Edit software products, including, without limitation, those items of Intellectual Property listed on Schedule 1.1(c) attached hereto.

"Renewed Maintenance Revenues" shall have the meaning ascribed thereto in Section 7.3.

"Request" shall have the meaning ascribed thereto in Section 10.3.

"Schedule of Transferred Maintenance" shall have the meaning ascribed thereto in Section 7.1.

"Schedules" shall mean the disclosure Schedules attached to this Agreement.

"Second Updated Schedule of Transferred Maintenance" has the meaning ascribed thereto in Section 7.1.

"Selling Entities" shall mean those Persons listed as Selling Entities on the signature pages hereof, and "Selling Entity" shall mean any of such Persons.

"Software" shall mean the expression of an organized set of instructions in a natural or coded language, including without limitation, compilations and sequences, which is contained on a physical media of any nature (e.g., written, electronic, magnetic, optical or otherwise) and which may be used with a computer or other automated data processing equipment device of any nature which is based on digital technology, to make such computer or other device operate in a particular manner and for a certain purpose, as well as any related documentation for such set of instructions. The term shall include, without limitation, computer programs in source and object code, test or other significant data libraries, documentation for computer programs, modifications, enhancements, revisions or versions of or to any of the foregoing and prior releases of any of the foregoing applicable to any operating environment, and any of the following ("Miscellaneous Software Components") which is contained on a physical media of any nature and which is used in the design, development, modification, enhancement, testing, installation, use, maintenance, diagnosis or assurance of the performance of a computer program: narrative descriptions, notes, specifications, designs, flowcharts, parameter descriptions, logic flow diagrams, masks, input and output formats, file layouts, database formats, test programs, test or other data, user guides, manuals, installation and operating instructions, diagnostic and maintenance instructions, source code, object code and other similar materials and information.

"Statement of Net Revenues" shall have the meaning ascribed thereto in Section 2.2(b).

"Taxes" shall mean all taxes, charges, fees, levies or other similar assessments or liabilities, including, without limitation, any federal, state, local or foreign income, receipts, ad valorem, value added, purchases, premium, excise, real property, personal property, windfall profit, sales, stamp, use, consumption, licensing, withholding, employment, payroll, share, capital, surplus, franchise, occupational, net proceeds, estimated, alternative or add-on minimum, production, severance, lease, excise, duty, net worth, transfer, fuel, excess profits, interest equalization or other taxes of any kind whatsoever, and any recording, registration or notary fees, together with any interest, fines, penalties, assessments or additions to tax resulting from,

attributable to or incurred in connection with, any such tax or any contest or dispute thereof; "Tax" means any of the foregoing.

"Tax Return" shall mean any report, return, information returns, estimates or other information, including any schedule or attachment thereto, required to be supplied to, or filed with, the IRS or any other taxing authority, and any amendment thereto, with respect to Taxes.

"Third-Party Matter" shall have the meaning ascribed thereto in Section 10.4(a).

"Trade Secrets" shall mean any formula, design, idea, manufacturing and production processes and techniques, specifications, copyrightable works, financial, marketing and business data, customer and supplier lists and information, device or compilation of information which directly or principally comprises a part of the Civil, Raster or Plotting products, which may give the holder thereof an advantage or opportunity for advantage over competitors which do not have or use the same, and which is not generally known by the public. Trade Secrets can include, by way of example, Software (including, without limitation, source code for the Owned Software), information contained on drawings and other documents, and information relating to the research, development, testing, marketing plans, business strategy, finances or employees of a business.

"Transferred Maintenance Revenues" shall have the meaning ascribed thereto in Section 7.1.

"Transaction Taxes" shall mean any federal, state, foreign or local transfer, sales, use, value added tax (VAT), registration tax, consumption tax, documentary stamp, conveyance or any other similar Taxes, together with any interest, fines, penalties, assessments, or additions to tax resulting from, attributable to or incurred in connection with any such Transaction Taxes or any contest or dispute thereof, and any recording, and any registration or notary fees, in each case arising solely out of the sale, conveyance, transfer and/or delivery of the Acquired Assets to Bentley and the assumption of the Assumed Liabilities by Bentley.

"Transferred Employee" has the meaning ascribed to it in Section 3.18(a).

"Tribunal" shall mean any government, any arbitration panel, any court or any governmental department, commission, board, bureau, agency or instrumentality of the United States or any foreign or domestic state, province, commonwealth, nation, territory, possession, country, parish, town, township, village or municipality.

"VAT" shall have the meaning ascribed thereto in Section 11.12(b).

"WARN Act" shall mean the Federal Workers Adjustment and Retraining Act, P.L. 100-379, 102 Stat. 890.

1.2 Other. All references in this document to this "Agreement" include all documents, Schedules and Exhibits referred to herein. All terms defined in this Agreement shall have such

meanings ascribed thereto when used in any certificate, Schedule, exhibit, report or other document made or delivered pursuant to this Agreement, unless the context shall otherwise clearly require.

ARTICLE II

CLOSING; CONSIDERATION; LIABILITIES; ALLOCATION; AND LOCAL PURCHASING AGREEMENTS

2.1 Time and Place of Closing. The Closing will take place on such date as shall be mutually agreed upon by the parties, at 10:00 A.M., local time, at the offices of Drinker Biddle & Reath LLP, One Logan Square, Eighteenth and Cherry Streets, Philadelphia, PA 19301 (the "Closing Date"). The Closing shall be effective as of 11:59 P.M. on the date hereof.

2.2 Acquisition of the Acquired Assets.

(a) At the Closing of this Agreement and subject to Article VII hereof (Maintenance), the Selling Entities shall sell, assign, deliver and transfer to Bentley, and Bentley shall purchase from the Selling Entities, all rights, title and interests in and to the Acquired Assets, and Bentley will assume the Assumed Liabilities. Physical delivery of the Acquired Assets to Bentley or BSI Netherlands, as applicable, generally will be made at the current location of each Acquired Asset or as otherwise provided in the General Bill of Sale. At the Closing, the Selling Entities, Bentley and BSI Netherlands shall execute and deliver a General Bill of Sale, Assignment and Assumption Agreement, substantially in the form of Exhibit A (the "General Bill of Sale"), with respect to the transfer and conveyance of the applicable Acquired Assets pursuant thereto and the assumption of any related Assumed Liabilities. In connection with the transfer and conveyance of the remaining Acquired Assets and the assumption of the remaining Assumed Liabilities at the Closing, each applicable Selling Entity and Bentley or BSI Netherlands, as applicable, shall execute and deliver a Closing Agreement or such other agreements as are appropriate in any applicable foreign jurisdiction to consummate the transactions contemplated thereby (together with all instruments of transfer, conveyance and assignment and other documents attached thereto or referred to therein, the "Closing Agreement"), substantially in the form attached hereto as Exhibit B, as such form shall be revised to the extent required to reflect applicable law.

(b) Intergraph shall deliver or cause to be delivered to Bentley a report of its auditors, Ernst & Young LLP, which report shall be prepared in accordance with procedures mutually agreed upon by Bentley, Intergraph and such auditors and shall set forth Intergraph's calculation of the net license revenues of each of the Civil, Raster and Plotting products for the year ended December 31, 1999, net of any third party costs and not including revenues derived from sales of the MicroStation product (the "Statement of Net Revenues"). The Statement of Net Revenues shall be prepared in accordance with GAAP. Bentley or its auditors shall be entitled to review the Selling Entities' records and the auditor's work on which the Statement of Net Revenues is based. The parties shall use the Statement of Net Revenues as the basis for

calculating the cash portion of the consideration for the Acquired Assets. The costs incurred in the preparation and delivery of the Statement of Net Revenues shall be shared equally by Bentley and Intergraph.

(c) The consideration for the Acquired Assets shall be payable by Bentley and BSI Netherlands to Intergraph for itself and on behalf of the other Selling Entities, as follows (the "Consideration"):

(i) At the Closing, Bentley will pay, by wire transfer, an aggregate amount equal to the license revenues attributable to the Civil, Raster and Plotting products for 1999 as reflected in the Statement of Net Revenues, net of the set-offs or adjustment, if any, provided for in sections 2.2(d) and (e) below, such amount to be allocated among the Acquired Assets and to the Selling Entities as indicated on Schedule 2.6;

(ii) At the Closing, Bentley will issue a secured promissory note in substantially the form of Exhibit C attached hereto (the "Note"), the principal amount of which shall equal the Preliminary Note Amount (subject to adjustment as provided below). The Note will be secured pursuant to a Security Agreement substantially in the form of Exhibit D attached hereto (the "Security Agreement). On the three-month anniversary of the MCO Date, the principal balance of the Note shall be adjusted up or down, effective as of the date of the Note, from the Preliminary Note Amount to an amount equal to 1.5 times the adjusted Transferred Maintenance Revenues. If the Selling Entities deliver the Second Updated Schedule of Transferred Maintenance pursuant to Section 7.1, then on the six-month anniversary of the MCO Date, the principal balance of the Note shall be adjusted up or down, effective as of the date of the Note, from the Preliminary Note Amount (after giving effect to the adjustment referred to in the immediately preceding sentence and to all payments made prior to such adjustment) to an amount equal to 1.5 times the adjusted Transferred Maintenance Revenues. On the 14-month anniversary of the MCO Date, the principal balance of the Note shall be increased, as of the first anniversary of the MCO Date, by an amount equal to (x) 1.5 times the Renewed Maintenance Revenues, plus (without duplication) (y) 1.5 times the revenues attributable to the renewed CAD II Maintenance Agreements (i.e. those agreements with Intergraph) for the 12 month period following the MCO Date, and the remaining payments under the Note will be accordingly adjusted to amortize the balance of the Note in equal quarterly payments for the remaining term thereof. The calculation of the Note based on that portion of Transferred Maintenance Revenues and Renewed Maintenance Revenues paid in foreign currencies shall be in accordance with Section 7.4.

(d) The following items may be set off by Bentley at the Closing against the cash portion of the Consideration payable pursuant to Section 2.2(c)(i) above: (i) the amount of the liabilities assumed by Bentley in respect of accrued vacation and other paid time off of Transferred Employees as of the Closing Date; (ii) $219,600 in consideration of Bentley's obligation to recognize service time of non-U.S. Transferred Employees pursuant to Section 6.3; (iii) the amount of deferred revenues, if any, collected by the Selling Entities and relating to periods after the Closing on account of licenses of the Civil, Raster and/or Plotting products, all

of which are set forth on Schedule 2.2(d); (iv) the amount of deferred revenues, if any, collected by the Selling Entities and relating to periods after the first anniversary of the MCO Date on account of Maintenance Agreements, all of which are set forth on Schedule 2.2(d); and (v) the amount of prepayments received by the Selling Entities in respect of customer orders received but not fulfilled by the Selling Entities for any of the Civil, Raster or Plotting products on or prior to Closing.

(e) If at any time within 18 months following the Closing, Bentley claims that the Statement of Net Revenues contains any mistakes or errors, it shall notify Intergraph of such mistakes or errors and the parties shall in good faith attempt to resolve any such discrepancies. If after such good faith efforts the parties are unable or unwilling to resolve said discrepancies, Bentley may, at its expense, engage a reputable public accounting firm to initiate and perform an audit of the Statement of Net Revenues in accordance with generally accepted auditing standards. Intergraph shall, and shall cause its auditors to, cooperate fully with such audit. Upon completion of such audit, Bentley shall deliver to Intergraph the Statement of Net Revenues, with such adjustments thereto as Bentley's auditors shall deem necessary to correct any mistakes or errors found as a result of the conduct of its audit. If such adjustments result in a downward adjustment to the Consideration equal to 5% or more of the Consideration based on 1999 license revenues, then Intergraph on behalf of itself and the other Selling Entities, shall pay the amount of such adjustment plus costs of the audit to Bentley or BSI Netherlands, respectively. If such adjustments result in an upward adjustment to the Consideration equal to 5% or more of the Consideration based on 1999 license revenues, then Bentley or BSI Netherlands, as applicable, shall pay such amount to Intergraph on behalf of itself and the other Selling Entities, and Bentley shall pay the cost of its auditors. If the adjustments resulting from the audit do not result in either a downward or upward adjustment to the Consideration equal to at least 5% of the Consideration, then no payments are due to any party under this Section 2.2(e) and Bentley shall pay the cost of its auditors. Payments made pursuant to this Section 2.2(e), if any, shall be made by wire transfer of immediately available funds to an account designated by the party receiving such payment within ten (10) business days following Bentley's delivery of the proposed adjustments to Intergraph, together with interest thereon at the rate of 8% per annum. If the parties cannot agree after 30 days on the correct amount of the 1999 license revenues, the two auditing firms involved in the audit and, if necessary, a third auditing firm selected by them, shall determine a compromise resolution within 30 days and their joint determination shall be final and binding. If no audit of the Statement of Net Revenues is initiated pursuant to this Section 2.2(e), the Statement of Net Revenues shall not be subject to review or adjustment.

2.3 Closing Deliveries by Bentley. At the Closing, Bentley shall deliver to Intergraph the following:

(a) The Consideration specified in Section 2.2, together with the Security Agreement and any Uniform Commercial Code financing statements as Intergraph may reasonably request, in each case duly executed by Bentley;

(b) A copy of the resolutions of the Board of Directors of Bentley authorizing the execution, delivery and performance by Bentley of this Agreement and of the other agreements

contemplated hereby, and the consummation of the transactions contemplated hereby and thereby, certified as of the Closing Date by the Secretary or Assistant Secretary (or other appropriate officer) of Bentley;

(c) A certificate of good standing as of a recent date from the Secretary of State of the State of Delaware;

(d) Duly executed certificates of the Secretary or Assistant Secretary of Bentley, certifying as of the Closing Date as to the incumbency and signature of the officer of Bentley who has executed this Agreement and the documents delivered at such Closing on behalf of Bentley,

(e) The General Bill of Sale, duly executed by Bentley and BSI Netherlands;

(f) Assignments of the Intellectual Property, duly executed by Bentley;

(g) The Cross-License Agreement, duly executed by Bentley;

(h) The Master Agreement for Local Purchasing and SELECT Partner Agreements between Bentley and the Selling Entities (the "Master Agreement"), duly executed by Bentley, or, if appropriate, new Local Purchasing Agreements to be agreed upon by the parties;

(i) The Closing Agreements, duly executed by Bentley or BSI Netherlands, as applicable;

(j) A duly executed legal opinion of Drinker Biddle & Reath LLP, Bentley's legal counsel as to the matters set forth on Exhibit E attached hereto; and

(k) Other documents or instruments as the Selling Entities may reasonably request.

2.4 Closing Deliveries by the Selling Entities. At the Closing, the applicable Selling Entity shall deliver to Bentley the following:

(a) A copy of its Certificate of Incorporation or equivalent document (as in effect on the Closing Date), certified as of a recent date to the Closing Date by the Secretary of State or similar governmental authority of the jurisdiction of its incorporation or organization; provided, however, that any Selling Entity other than Intergraph may instead deliver a certification by its Secretary or Assistant Secretary (or other appropriate officer) with respect to its Certificate of Incorporation or equivalent document (as in effect on the Closing Date) to the extent obtaining a certification by the Secretary of State or similar governmental authority of its jurisdiction of incorporation or organization would delay the Closing or result in an inordinate expense;

(b) A copy of its Bylaws (as in effect on the Closing Date), certified as of the Closing Date by the Secretary or Assistant Secretary (or other appropriate officer) of such Selling Entity;

(c) A copy of all resolutions adopted by its Board of Directors; authorizing the execution, delivery and performance by such Selling Entity of this Agreement and the other agreements contemplated hereby, and the consummation of the transactions contemplated hereby and thereby, certified as of the Closing Date by the Secretary or Assistant Secretary (or other appropriate officer) of such Selling Entity;

(d) Appropriate evidence of all Consents;

(e) A certificate of good standing as of a recent date (i) with respect to Intergraph, from the Secretary of State of the States of Delaware and Alabama, and with respect to all other Selling Entities, from the appropriate governmental authorities in their respective jurisdictions of incorporation or organization (to the extent such a concept so exists there), and (ii) from the appropriate governmental authorities in all other jurisdictions where the nature of the Acquired Assets requires the Selling Entities to be qualified as foreign corporations; provided, however, any Selling Entity other than Intergraph may instead deliver a certification by its Secretary or Assistant Secretary (or other appropriate officer) of its good standing or foreign qualification to the extent obtaining a certificate of good standing or foreign qualification from the appropriate governmental authorities would delay the Closing or result in an inordinate expense;

(f) Duly executed certificates of the Secretary or Assistant Secretary (or other appropriate officer) of each of the Selling Entities certifying as of the Closing Date as to the incumbency and signature of the officers of the Selling Entities who have executed this Agreement and the documents delivered at the Closing on behalf of the Selling Entities;

(g) A duly executed legal opinion of Balch & Bingham LLP, the Selling Entities' legal counsel, as to the matters set forth on Exhibit F;

(h) The General Bill of Sale, duly executed by Intergraph;

(i) Assignments of the Intellectual Property, each dated the Closing Date and duly executed by the applicable Selling Entities;

(j) The Cross-License Agreement, duly executed by the applicable Selling Entities;

(k) Copies of any and all releases, termination statements and other documents and instruments as are necessary to remove and release any Liens which may encumber any of the Acquired Assets;

(l) The Closing Agreements, duly executed by the appropriate Selling Entity;

(m) The Master Agreement, duly executed by the Selling Entities; and

(n) Other documents or instruments as Bentley may reasonably request.

2.5 No Assumption of Liabilities. Notwithstanding anything in this Agreement or otherwise to the contrary, none of Bentley or any of their Affiliates, individually or collectively, shall be responsible for, or shall assume or undertake to pay, perform, satisfy or discharge any liability or obligation of the Selling Entities or any of their Affiliates other than the Assumed Liabilities and those Transaction Taxes, if any, specified in Section 11.12. Without in any way limiting the foregoing, except for Assumed Liabilities, Bentley shall assume no responsibility or liability for (a) any liability (including any Environmental Liability) or other obligation of any Selling Entity existing of the Closing Date or arising out of facts, events or circumstances occurring or existing prior to the Closing Date, whether known or unknown and whether or not disclosed in this Agreement or the Schedules; or (b) any liability or obligation existing as of the Closing Date for vacation, sick leave or paid time off and similar benefits for any Selling Entity employee; or (c) any suit, action, litigation or proceeding against or affecting any Selling Entity based upon any acts or omissions occurring or existing prior to the Closing Date.

2.6 Tax Allocation. The Consideration for the Acquired Assets plus the amount of the Assumed Liabilities shall be allocated in accordance with their respective fair market values and among the Selling Entities as set forth on Schedule 2.6 hereto. The parties agree that such allocation shall be adopted by them in preparing, and shall be reflected on, (i) any statements and any tax returns required to be filed with any Federal, state or local taxing authority or any foreign taxing authority and (ii) any invoice or other documentation prepared with respect to Transaction Taxes.

2.7 Consents. The parties will cooperate with each other in good faith to timely obtain all Consents from any and all Tribunals and other Persons that are required (i) for the consummation of the transactions contemplated by this Agreement; and (ii) to prevent a breach of, a default, penalty or increase in payment under, or a termination of any Contract being assumed by Bentley hereunder. Except as provided in Section 11.4, the cost of obtaining such Consents shall be borne by the party who is required to obtain such Consent under the applicable Legislative Enactment or under the terms of the relevant Contract; provided, however, that if the applicable Legislative Enactment does not provide which party shall pay such costs, the costs shall be borne equally by Bentley and Intergraph. The parties hereto agree to use their best efforts to obtain such Consents in a cost effective and efficient manner.

2.8 Non-Assignment of Third-Party License Agreements. Notwithstanding anything to the contrary in this Agreement, to the extent that the transfer or assignment of any third-party license agreement referred to in subclause (ii) of the definition of "Acquired Assets" in Section 1.1 requires the consent, approval or waiver of any third party, the Selling Entities shall obtain prior to the Closing the consent, approval or waiver of such other party to such assignment to Bentley to the extent the same are assignable. To the extent any of the approvals, consents or waivers referred to above have not been obtained by the Selling Entities as of the Closing, the Selling Entities' only obligation with respect thereto shall be to use their reasonable efforts to:

(a) cooperate with Bentley in any reasonable and lawful arrangements designed to provide the benefits of any unassigned third-party license agreement to Bentley so long as Bentley fully cooperates with the Selling Entities in such arrangements and promptly reimburses the Selling Entities for payments, charges or other liabilities made or suffered by the Selling Entities in connection therewith; and

(b) enforce, at the request of Bentley and at the expense and for the account of Bentley, any rights of the Selling Entities arising from such third-party license agreements against the other party or parties thereto (including the right to elect to terminate any such agreement in accordance with the terms thereof upon the written advice of Bentley).

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SELLING ENTITIES

To induce Bentley to enter into this Agreement and to consummate the transactions contemplated hereby, the Selling Entities, jointly and severally, represent and warrant to Bentley as follows:

3.1 Corporate Existence and Authority. Each Selling Entity is a corporation or other legal entity duly organized, validly existing and to the extent such a concept or a similar concept exists in the relevant jurisdiction, in good standing under the laws of the state or other jurisdiction of its incorporation or organization. Each Selling Entity has all requisite power and authority to own and lease its properties and assets and to carry on its business, as such business is being conducted currently. Each Selling Entity is duly qualified and licensed to do business as a foreign corporation or entity and is in good standing in all jurisdictions in which the nature of the Acquired Assets requires it to be so qualified, except where the failure to so qualify will not have a material adverse effect on any of the Acquired Assets. Intergraph owns, directly or indirectly, a majority of the outstanding equity and voting equity of each of the other Selling Entities.

3.2 Authorization and Effect of Agreement, Etc. Each Affiliate of Intergraph whose action is legally required to transfer to Bentley the Acquired Assets in accordance with this Agreement is listed as a Selling Entity on the signature pages hereof. Each Selling Entity has all requisite power and authority to enter into, execute and deliver this Agreement and the other agreements contemplated hereby and to perform its obligations hereunder and thereunder and to consummate the respective transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by each of the Selling Entities and the other agreements contemplated hereby and the consummation by the Selling Entities of the transactions contemplated hereby and thereby have been duly authorized by all corporate or other entity action. This Agreement has been, and the other agreements contemplated hereby will be, duly executed and delivered by and constitute, or when executed and delivered will constitute, the valid and binding obligation of the Selling Entities, enforceable in accordance with their respective terms, except that such enforcement may be subject to bankruptcy, insolvency,

reorganization, moratorium or other similar Legislative Enactments now or hereafter in effect relating to creditors' rights generally.

3.3 No Violation. Except as set forth on Schedule 3.3, neither the execution, delivery or performance by any of the Selling Entities of this Agreement or of any other agreement contemplated hereby, nor the consummation by any of the Selling Entities of any of the transactions contemplated hereby or thereby in accordance with the terms hereof or thereof does or will (with the passage of time, the giving of notice or otherwise), (a) violate or conflict with any provision of the Certificate of Incorporation or Bylaws or other organic document of such Selling Entity; (b) violate, conflict with, modify or cause any default under or acceleration of (or give any party any right to declare any default or acceleration, upon notice or passage of time or otherwise with respect to), in whole or in part, any Contract to which such Selling Entity or any of the Acquired Assets is bound; (c) violate, conflict with or cause any default under (or give any party any right to declare any default, upon notice or passage of time or otherwise, under) any Legislative Enactments, Official Actions or any other restriction of any kind or character by which the Selling Entities or any of their properties or any of the Acquired Assets is bound; (d) result in the creation or imposition of any Lien, proscription or restriction on any of the Acquired Assets; or (e) to the best knowledge of the Selling Entities, permit any Tribunal to impose any material restrictions or limitations of any nature on the Selling Entities or their properties or activities.

3.4 Consents.

(a) Intergraph has fully complied with the requirements of the HSR Act and the documents filed by it pursuant to the HSR Act adequately respond to its requirements. Except as set forth in Schedule 3.4(a), no other Consent of, or registration, declaration or filing with, or permit from, any Tribunal, lessor, lender or any other Person is required to be made or obtained by any of the Selling Entities in connection with the execution, delivery and performance by any of the Selling Entities of this Agreement or the other agreements contemplated hereby or the consummation of the transactions contemplated hereby or thereby in accordance with the terms hereof and thereof.

(b) After the Closing, except as set forth on Schedule 3.4(b), Bentley shall have the unrestricted right to own, use, license, operate and sell, directly or indirectly, through distributors, resellers or others, all or any of the Acquired Assets without the payment of any royalty, license or other fee to any Person, including without limitation any transfer fee, relicensing fee or other fee with respect to Software to be transferred or assigned.

3.5 General Warranty. All written statements, certificates or documents furnished by any Selling Entity in accordance with this Agreement, taken as a whole, are true, complete and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

3.6 Challenges To This Agreement. No suit, action, proceeding or investigation against any Selling Entity challenging this Agreement or any of the transactions contemplated hereby or claiming damages in connection with this Agreement or any of the transactions contemplated hereby has been instituted or, to the knowledge of the Selling Entities, threatened.

3.7 Financial Information. The financial information listed on Schedule 3.7 fairly and accurately presents in all material respects the license and maintenance revenues (net of third party costs and not including any MicroStation revenues) for the Civil, Raster and Plotting products for the year ended December 31, 1999 and for the six months ended June 30, 2000.

3.8 Customer Discounts. Except as set forth on Schedule 3.8, since January 1, 2000, no Selling Entity has provided any of the Civil, Raster or Plotting products or services relating thereto at discounted rates or free of charge to any customer as a rebate, discount, advance or allowance, except in the ordinary course of business, consistent with past practices for these products.

3.9 Absence of Changes. Except as set forth in Schedule 3.9, since January 1, 1999, there has not been, occurred or arisen any change in, or any event (including without limitation any damage, destruction or loss, whether or not covered by insurance), condition or state of facts of any character that individually or in the aggregate has or may be expected to have a material adverse effect on any of the Acquired Assets. Since January 1, 2000, except as set forth in Schedule 3.9, no Selling Entity has taken or failed to take any action the taking of which or failure of which to take, as the case may be, would have violated any of the provisions of Sections 5.2 or 5.3 if they had then been applicable to the Acquired Assets.

3.10 Taxes. Except as otherwise disclosed in Schedule 3.10, and except for any Taxes which may be contested in good faith by any Selling Entity, each Selling Entity has paid or will pay on the due date all Taxes owing by it (whether or not shown on any Tax Return), which are due and payable on or before the Closing Date. There are no Liens for Taxes upon any of the Acquired Assets.

3.11 Disputes and Litigation. Except as set forth in Schedule 3.11, there is not existing or pending or, to the best knowledge of the Selling Entities, threatened, any suit, action, litigation, proceeding, investigation, claim, complaint or accusation affecting or against any of the Selling Entities with respect to any of the Acquired Assets (including, without limitation, any complaints, claims or accusations relating to infringement of any Intellectual Property included in the Acquired Assets).

3.12 Environmental Matters. To the best knowledge of the Selling Entities, each Selling Entity is and has always been in compliance with all Environmental Laws in respect of the Acquired Assets. Except as set forth in Schedule 3.12, no Selling Entity has ever received any complaint, order, citation or notice, public or private, with respect to any possible violation of the Environmental Laws or obligation or liability thereunder related to any of the Acquired Assets. No Hazardous Substance has ever been stored, discharged, emitted, released or disposed of by or on behalf of, or at the direction of any Selling Entity in connection with the operation,

sale or licensing of any of the Acquired Assets, except in compliance with applicable Environmental Laws.

3.13 Millennium Compliance. Except as set forth in Schedule 3.13, all Intellectual Property included within the Acquired Assets is "Millennium Compliant."

3.14 Certain Relationships. No Affiliate of Intergraph, other than the Selling Entities, holds any assets included in the Acquired Assets. No officer or director of any Selling Entity (or any relative of any such director or officer) has any material business or other relationship (as creditor, lessor, lessee, supplier, dealer, distributor, franchisee, customer or otherwise) with the Selling Entities with respect to any of the Acquired Assets. To the best knowledge of the Selling Entities, none of the Selling Entities or any of their respective Affiliates, directors or officers has, directly or indirectly, given or agreed to give any improper gift or similar benefit to any creditor, lessor, lessee, supplier, dealer, distributor, franchisee, customer, competitor or governmental employee or official (domestic or foreign) the absence or discontinuation of which could have had a material adverse effect on the Acquired Assets.

3.15 Title to Properties and Absence of Liens; Sufficiency of Assets. Each of the Selling Entities has good title or valid leasehold title to the Acquired Assets which it is conveying hereunder, subject to no Liens except as disclosed in Schedule 3.15, all of which will be terminated, released or removed prior to the Closing, and subject to no rights of any third parties to license, relicense or sell any of the Acquired Assets except as disclosed in Schedule 3.15. Other than the Acquired Assets, no material tangible computer equipment and peripherals are used primarily in connection with the business of developing, selling, licensing and maintaining the Civil, Raster and Plotting products or are necessary for the use thereof.

3.16 Compliance with Law. To the best knowledge of the Selling Entities, each of the Selling Entities (a) has complied with all Legislative Enactments applicable to the Acquired Assets, and (b) has duly and timely made all filings and submissions that are required by Legislative Enactments to be made with respect to the Acquired Assets.

3.17 Contracts. Schedule 3.17 sets forth a true, complete and correct list, of the following (true, complete and correct copies, or if none, written descriptions, of which have been provided or made available to Bentley, together with all exhibits, amendments or modifications thereto):

(a) All Contracts, including without limitation, all Maintenance Agreements, relating to any obligations or liabilities to be assumed by Bentley as part of the Assumed Liabilities;

(b) All Contracts pursuant to which any Selling Entity may have delivered to another Person, or granted or agreed to grant (whether or not any requirement such as the giving of notice, the lapse of time or the happening of any further condition, event or act has been satisfied) to another Person the rights to obtain, any source code to any Software relating to the

Civil, Raster or Plotting products of the Selling Entities including, without limitation, any software escrow Contracts;

(c) All Contracts pursuant to which any Selling Entity may have delivered to another Person, or granted or agreed to grant (whether or not any requirement such as the giving of notice, the lapse of time or the happening of any further condition, event or act has been satisfied) to another Person the rights to obtain, any Software "keys" allowing access to additional modules or programs of any Software relating to the Civil, Raster or Plotting products;

(d) All performance bonds posted by any Selling Entity in connection with the Civil, Raster or Plotting products;

(e) All Maintenance Agreements which expire after the Expiration Date (as defined in Section 7.1);

(f) All Maintenance Agreements or other Contracts which obligate any of the Selling Entities to warranty periods longer than 90 days or which obligate any of the Selling Entities to provide services or products beyond the ordinary and customary scope of such Selling Entity's standard form of Maintenance Agreement; and

(g) Any obligations under any Contracts included in the Assumed Liabilities relating to periods before the Closing Date which will not be completed as of the Closing Date.

Except to the extent indicated on Schedule 3.17, all Persons to which any of the Selling Entities has granted a license with respect to the Software have accepted the Software under the terms of the applicable Contract.

3.18 Employees.

(a) Intergraph has previously provided to Bentley a true, complete and correct list of each employee, consultant and independent contractor of each of the Selling Entities whose primary function relates to the Civil, Raster or Plotting products, together with each such Person's name, job title, and duration of employment with such Selling Entity. Bentley and Intergraph have agreed upon which of those employees Bentley has or will offer employment as of the Closing Date (collectively, the "Transferred Employees"). A list of the Transferred Employees is contained in Schedule 3.18(a). The Selling Entities have provided a written list to Bentley detailing the current annual compensation or hourly rate and amounts in form of special fringe benefits for each of the Transferred Employees. Each of the Selling Entities with respect to the Transferred Employees, (i) is in compliance with all applicable Legislative Enactments and Official Actions regarding employment, wages and hours and (ii) is not engaged in any unfair labor practice or discriminatory employment practice. Except as set forth on Schedule 3.18(a), no Transferred Employee is subject to any Non-Compete Covenant with the Selling Entities that will be in effect following the Closing or, to the best knowledge of the Selling Entities, any third party. Except as set forth on Schedule 3.18(a), no lawsuit or complaint against the Selling Entities with respect to any Transferred Employees has been filed or, to the best knowledge of the Selling Entities, is threatened to be filed, with or by the National Labor Relations Board, the

Equal Employment Opportunity Commission or any other Tribunal that regulates labor or employment practices, and there is no grievance filed or, to the best knowledge of the Selling Entities, threatened to be filed, against any of the Selling Entities by any Transferred Employee pursuant to any collective bargaining or other employment agreement. To the best knowledge of the Selling Entities, no Transferred Employee will terminate his employment or cease to do business with Bentley after consummation of the transactions contemplated by this Agreement There are no material controversies pending or threatened between the Selling Entities and any of Transferred Employees. Except as set forth in Schedule 3.18(a), no Selling Entity has been a party to any Contract with any union, labor organization or collective bargaining unit with respect to any of the Transferred Employees. No union organizing or election activities involving any Transferred Employees of the Selling Entities are in progress or, to the best knowledge of the Selling Entities, threatened.

(b) All payments due from any Selling Entity on account of employer's social security contributions and employee health and welfare insurance under applicable Legislative Enactments with respect to the Transferred Employees in respect of years and periods (and portions thereof) ended on or prior to the Closing Date were paid or accrued prior to the Closing Date.

(c) All severance payments, if any, which as of the Closing Date would be payable by any Selling Entity with respect to any of the Transferred Employees under the terms of any oral or written agreement or commitment, have been or will be paid within thirty days after the Closing Date. No Selling Entity has made any payments, or is or will become obligated to make any payments to any Person as a result of the transactions contemplated by this Agreement which could result in "excess parachute payments" (as defined in Section 280G(b) of the Code) to any such Person.

(d) Each Selling Entity has withheld proper amounts from the Transferred Employees (all of which have been timely remitted to the appropriate Tax authority) and has timely filed or will timely file all Tax Returns with respect to employee income Tax withholding and social security and unemployment Taxes, all in compliance with the Tax withholding provisions of the Code and other applicable Legislative Enactments.

(e) Through the Closing Date, the Selling Entities shall have taken all necessary actions (if any) to comply with the WARN Act, to the extent any of them is subject to such act, and the Selling Entities shall not have any disclosure or announcement obligations under the WARN Act. As of the date hereof, and in reliance upon the covenant of Bentley in Section 6.3 hereof, the Selling Entities do not contemplate any "plant closing" or "employee layoff," as such terms are used in the WARN Act, with respect to any of their respective employees whose primary function relate to the Acquired Assets.

(f) Schedule 3.18(f) sets forth a true, complete and correct list of all employment and other agreements to which any Selling Entity is a party with respect to any of the Transferred Employees.

(g) No Selling Entity has made any representations or warranties or any other statements or communications regarding Bentley's right, ability, plan or intention to dismiss any employee, consultant or independent contractor or the terms and conditions upon which any such Person will be employed or engaged by Bentley, other than statements regarding the terms and conditions of employment or engagement based on information provided in writing by Bentley.

3.19 Employee Benefit Matters.

(a) Schedule 3.19(a) indicates therein each and every "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) maintained, contributed to or to which contributions are required to be made by Intergraph or any of its Affiliates with respect to the Transferred Employees either presently or within the previous 12-month period, or any such plan to which Intergraph or any of its Affiliates contributes, is required to contribute or has contributed (such plans being hereinafter collectively referred to as the "Employee Welfare Benefit Plans"). Intergraph has delivered to Bentley true, complete and correct copies of each and every Employee Welfare Benefit Plan, together with all documents and instruments establishing or constituting any related trust, annuity contract or other funding instrument, and including any summary plan descriptions or substantive communication to employees concerning the establishment, operation or termination of any such plan.

(b) Schedule 3.19(b) indicates therein each and every "employee pension benefit plan" (as defined in Section 3(2) of ERISA) maintained, contributed to or to which contributions are required to be made by Intergraph or any of its Affiliates with respect to the Transferred Employees either presently or within the previous 12 months, including any Multiemployer Pension Plan (as defined in either Section 3(37) or Section 4001(a)(3) of ERISA) (such employee benefit plans being hereinafter collectively referred to as the "Employee Pension Benefit Plans"). Intergraph has delivered to Bentley true, complete and correct copies of each and every such Employee Pension Benefit Plan, together with such copies of all documents or instruments establishing or constituting any related trust, annuity contract or other funding instruments, and including any summary plan descriptions or substantive description or communication concerning such plan to employees or participants therein.

(c) Schedule 3.19(c) indicates therein each and every stock option plan, pension plan, collective bargaining agreement, bonus, incentive award, vacation pay, severance pay or any other material personnel policy, employee benefit plan arrangement, agreement or understanding which Intergraph or any of its Affiliates presently maintains or has maintained in the previous 12-month period or to which Intergraph or any of its Affiliates contributes or has contributed in such period, or has been required to contribute in such period, with respect to the Transferred Employees, and which is not required to be listed on Schedule 3.19(a) or 3.19(b) (including with respect to any plans which are unwritten, a detailed written description of eligibility, participation, benefits, funding arrangements, assets and any other matters which relate to the obligations of Intergraph or its Affiliates). Intergraph has delivered to Bentley a true, complete and correct copy of each such plan together with copies of all documents or instruments

establishing or constituting any related trust, annuity contract or other funding instruments, and including any substantive communication to employees or participants concerning such plans.

(d) Except as contemplated by Sections 5.9(e), (f) and (g), neither Bentley nor any of its Affiliates will have any liability of whatever nature or kind including with respect to the establishment, maintenance, operation or termination of any employee benefit plan, practice or program, including any Employee Welfare Benefit Plan, Employee Pension Benefit Plan or other plan described in paragraph (c) above, by reason of Bentley's acquisition of the Acquired Assets, including any liability to the PBGC, any employee benefit plan, the trustee of any employee benefit plan or any employee or participant or any other corporation, individual, trust, entity or government agency.

(e) Neither Bentley nor any of its Affiliates will have any obligation to maintain any medical benefit plans, programs or practices, nor to allow any individual, whether an employee, participant, former employee or beneficiary of one of the foregoing, to participate in any health care plan, by reason of the health care continuation requirements of COBRA, except with respect to those individuals who actually become employees of Bentley or its Affiliates, and thereafter an event occurs entitling the employee, or some person related to the employee, to such health care continuation coverage by reason of an employee's employment with Bentley and participation in Bentley's medical benefit plans.

3.20 Compliance with Export Laws. Each Selling Entity currently holds and is in compliance with the export licenses listed with respect to such Person in Schedule 3.20; such export licenses are the only export license documents issued with respect to the Acquired Assets as of the date hereof. Each Selling Entity is also in compliance with the general export licenses it relies upon with respect to the Acquired Assets.

3.21 Inventories. All of the inventories included in the Acquired Assets were purchased or acquired in the ordinary course of business, consistent with past practices, and are in good condition.

3.22 Intellectual Property.

(a) Schedule 3.22(a), together with Schedule 3.23(a), sets forth a true, complete and correct list of all items of Intellectual Property (i) which are owned by a Selling Entity, and (ii) which comprise a part of the Acquired Assets (the "Owned IP"). Except as expressly disclosed in Schedule 3.22(a), all patents, trademark registrations and copyright registrations which are part of the Owned IP are in good standing, have been validly prosecuted or issued, are subsisting, and are in full force and effect in accordance with their terms.

(b) Schedule 3.22(b), together with Schedule 3.23(b), sets forth a true, complete and correct list of all items of Intellectual Property (i) which no Selling Entity owns, but in which a Selling Entity has a right or rights (by license or otherwise) and (ii) which also comprise a part

of the Acquired Assets (the "Non-Owned IP"). The right of the Selling Entities and/or Bentley to use the Non-Owned IP is governed under the license agreements or other Contracts listed on Schedules 3.22(b) and 3.23(b).

(c) To the best of the Selling Entities' knowledge, the development, license, use, sale, distribution, modification and exploitation of the Owned IP by the Selling Entities, and the use of the Non-Owned IP by the Selling Entities have not infringed on or otherwise violated the rights of any other Person or constituted an unlawful disclosure, use or misappropriation of the right or rights of any other Person. The continued and future license, use, sale and distribution of the Owned IP by Bentley and its agents, representatives or Affiliates from and after the Closing in a manner which is identical to the license, use, sale and distribution by the Selling Entities prior to the Closing, and the continued and future use of the Non-Owned IP by Bentley and its agents, representatives or Affiliates from and after the Closing in a manner which is identical to the use by the Selling Entities prior to the Closing, shall not constitute an infringement or other violation of the rights of any other Person or constitute an unlawful disclosure, use or misappropriation of the right or rights of any other Person. No Selling Entity is in material violation of, or in default under, any Contract or other legal requirement relating to the Owned IP and the Non-Owned IP.

(d) To the best of the Selling Entities' knowledge, there is (i) no suit, action, complaint, proceeding, opposition, petition to cancel, interference, re-examination or audit pending or threatened with respect to, (ii) no presently existing factual basis that is reasonably likely to result in any suit, action, complaint, proceeding or formal audit contesting, and (iii) no outstanding Official Action concerning, any of (A) the Owned IP or the Non-Owned IP, (B) any right of the Selling Entities to develop, license, use, offer to sell, sell, reproduce, display, perform, transmit, reduce to practice, distribute modify or otherwise exploit the Owned IP or (C) any right under a Contract or any other right of the Selling Entities to use the Non-Owned IP.

(e) Except as set forth on Schedule 3.22(e), to the best knowledge of the Selling Entities, the Selling Entities have the exclusive right, which is non-terminable and not subject to expiration or revocation, to develop, license, control or regulate the use of, make, offer to sell, sell, have made, have used, perform, transmit, reproduce, copy, have sold, distribute, modify and otherwise exploit (and authorize others to exploit), transfer or assign as the exclusive owner or author the Owned IP without any valid legal or equitable claim by, or payment or other obligation owing to, or Consent from, any Person, and Bentley will acquire at the Closing all of such rights in the Owned IP at least on the same basis and geographic scope as that enjoyed by the Selling Entities immediately prior to the Closing, without any diminution or alteration as a result of the Closing.

(f) Except as set forth on Schedule 3.22(f) (and subject to the express terms of those Contracts which are listed in Schedules 3.22(b) and 3.23(b) to the extent that true and complete copies have been provided to Bentley), the Selling Entities have the right, which is non-terminable and not subject to expiration or revocation, to use the Non-Owned IP without any valid legal or equitable claim by, or payment or other obligation owing to, any other Person, and Bentley will acquire at the Closing all of such rights on the same basis as that enjoyed by the Selling Entities immediately prior to the Closing, without any diminution or alteration as a result

thereof. Schedule 3.22(f) sets forth a true and complete list of all Consents required to permit Bentley to make, license, use, have sold, have made, have used, perform, display, transmit, reproduce, make derivative works of, sell, distribute, modify and otherwise exploit (and authorize others to exploit), transfer or assign the Non-Owned IP on the same basis as that enjoyed by the Selling Entities immediately prior to the Closing, without any diminution or alteration as a result thereof (except with respect to Software which may have been installed by a Transferred Employee without Intergraph's authorization on an individual personal computer included in the Acquired Assets which Software is not material to the Acquired Assets).

(g) Except as set forth on Schedule 3.22(g), the rights to develop, make, license, use, have sold, have made, have used, perform, copy, make derivative works of, sell, distribute, modify and exploit the Owned IP held by Bentley immediately after the Closing and the consummation of the transactions contemplated by this Agreement will be the same rights to develop, make, license, use, sell, have sold, have made, have used, perform, display, transmit, reproduce, make derivative works of, distribute, modify and exploit the Owned IP held by the Selling Entities immediately prior to the Closing and consummation of the transactions contemplated by this Agreement, without any diminution or alteration as a result of the Closing or the consummation of any of the transactions contemplated by this Agreement.

(h) Except (i) with respect to rights under the agreements entered into pursuant to this Agreement, or (ii) as set forth in Schedule 3.22(h) or in Schedule 3.17, to the best knowledge of the Selling Entities, the Selling Entities have not granted or obligated themselves to grant to any Person any license, option or other right to develop, make, license, sell, have sold, have made, have used, perform, copy, make derivative works of, distribute or modify in any manner any of the Owned IP, whether or not requiring payment to the Selling Entities. No Person has asserted any right to develop, make, license, use, sell, have sold, have made, have used, perform, copy, make derivative works of, distribute, modify or otherwise exploit the Owned IP except in accordance with a license or other Contract described on Schedule 3.23(h) or Schedule 3.17, or offered to grant any Selling Entity a license or any other right of use with respect to the Owned IP. No Selling Entity has any obligation to compensate any Person for any development, license, use, sale, distribution, modification or other proprietary right of any of the Owned IP, except as set forth on Schedule 3.17. No consent, approval, or authorization of or by any other Person will be required after the Closing either (i) for Bentley to develop, license, make, use, sell, have sold, have made, have used, perform, copy, make derivative works of, distribute, modify or exploit any of the Owned IP or (ii) for Bentley to use the Non-Owned IP. To the best knowledge of the Selling Entities, no Person has or shall have any right to terminate or revoke any grant to or other acquisition by any Selling Entity of any right to develop, license, make, use, sell, have sold, have made, have used, perform, copy, make derivative works of, distribute, modify, or exploit any of the Owned IP. None of the Owned IP was developed as part of the performance of any obligation for any Tribunal, or any other Person which would require the taking of any action, whether or not actually taken, in order for all rights to the Owned IP to become vested in, or retained by, any Selling Entity. Other than the Owned IP and the rights of any Selling Entity in the Non-Owned IP, except as set forth in Schedule 3.22(h), no material Intellectual Property right is used in connection with the Civil, Raster or Plotting products or is necessary for the use thereof.

(i) Schedule 3.22(i) sets forth a true, complete and accurate list of all patents, patent applications, provisional applications, trademark registrations, applications for trademark registration, copyright registrations, applications for copyright registration and other registrations of and applications to register Owned IP by or for any Selling Entity with any government or governmental instrumentality, and lists such items by country, name, registration/application number, status and any pending actions. All such patents and any such registrations are in good standing, have been validly prosecuted or issued, are subsisting, and are in full force and effect in accordance with their terms. To the best knowledge of the Selling Entities, no Person other than a Selling Entity has either applied for any patent or registered any claim to copyright with respect to any part of the Owned Software. The Selling Entities have taken sufficient measures to protect their Owned IP and Non-Owned IP and perfect the chain of title for the Owned IP such that Bentley may file and record, with the appropriate government agencies, applications for patent, trademark and/or copyright protection for Owned IP for which there is no current corresponding patent or registration.

(j) Except as set forth in Schedule 3.11 and to the best knowledge of the Selling Entities, (i) none of the Owned IP has been infringed by any other Person and none is threatened, and (ii) none of the Owned IP is being used by any other Person except pursuant to a license agreement or other Contract as set forth in Schedule 3.22(h).

3.23 Software.

(a) Schedule 1.1(c) sets forth a true, complete and correct list of all items of Software (i) which are owned by a Selling Entity and (ii) which comprise a part of the Acquired Assets (the "Owned Software"). The Owned Software shall include without limitation all earlier or predecessor versions of any of such Software (whether or not released, distributed or sunsetted) if and to the extent that such can be identified.

(b) Schedule 3.23(b) sets forth a true, complete and correct list of all items of Software (i) which is not owned by any Selling Entity but in which a Selling Entity has a right or rights (by license or otherwise) and (ii) which also comprise a part of the Acquired Assets (the "Non-Owned Software"). The right of the Selling Entities to use the Non-Owned Software is under the assignments or other Contracts listed in Schedule 3.23(b). To the best knowledge of the Selling Entities, the use by Bentley of the Non-Owned Software will not constitute an infringement or other violation of the rights of any other Person or constitute an unlawful disclosure, use or misappropriation of the right or rights of any other Person. No rights of any third party not previously obtained are necessary to use, market, license, sell, modify, update, and/or create derivative works for any Non-Owned Software as to which the Selling Entities takes any such action in their business as currently conducted.

(c) All Owned Software is free from material defects in programming and operation and performs in accordance with all normal industry expectations for quality and relevant HELP files and published user manuals therefor and in accordance with all technical, promotional and other written material used or provided to any Person in connection with the Owned Software. With respect to all Owned Software, the Selling Entities maintain machine-readable master-reproducible copies, reasonably complete technical documentation and/or user

manuals for the most current releases or versions thereof and for all earlier releases or versions thereof currently being supported by the Selling Entities; and such software can be maintained and modified by reasonable competent programmers familiar with such language, hardware and operating systems.

(d) Each of the Selling Entities has performed all obligations imposed upon it by any Contract with regard to the Software which are required to be performed by it on or prior to the date hereof, and no Selling Entity or, to the best knowledge of the Selling Entities, any other party, is in breach of or default thereunder in any respect, nor to the best knowledge of the Selling Entities, is there any event which with notice or lapse of time or both would constitute a default thereunder.

(e) For purposes of this section, the word "accepted" shall mean that all deliverables owed to a licensee have been delivered and licensee has either (i) no entitlement to any further acceptance period, trial, testing period or the like, (ii) completed all applicable testing processes and accepted the deliverables, or (iii) any and all applicable acceptance or testing periods have expired according to their terms so that the recognition of revenue resulting from such contracts is not contingent upon the conclusion of such activities.

(f) To the best knowledge of the Selling Entities, no Software comprising a part of the Acquired Assets (i) contains any coded instructions, anti-circumvention measures, routine, or other means (including but not limited to any back door) that would enable any person or computer system, including authorized or unauthorized users, to bypass any log-in and/or any security feature of the Software or any computer on which the Software is installed; (ii) contains any coded instructions, anti-circumvention measures, routine or other means (including but not limited to any time bomb or drop dead device) that, when activated in accordance with a predetermined method, date, or event, causes the Software to cease to operate, to operate in a degraded manner, to damage or destroy data or code, or otherwise deleteriously affect the functioning of the Software, other programs, or the computer systems on which the Software is installed or with which such computer systems are in communication (except demonstration versions or copies of Software which cease to function at a predetermined date if not purchased or if other similar action is not taken); (iii) contains any coded instructions, anti-circumvention measures, routine or other means that causes the Software, other software, or the computer system on which the Software is installed to perform an unauthorized function or to operate in an unauthorized manner; or (iv) contains any coded instructions, anti-circumvention measures, routine or other means (including any virus, trojan horse, or worm) that disables, erases, or otherwise harms software, hardware or data or otherwise causes such actions.

3.24 Development and Protection of the Owned IP.

(a) The Owned IP (except for patents) consists exclusively of "works made for hire" as that term is used in Title 17 of the United States Code, and a Selling Entity is considered the author of each of such works. The Selling Entities have obtained from all appropriate Persons duly authorized and validly executed assignments of all patents included in the Owned IP that were not invented, created or originally developed by the Selling Entities. Except as set forth on Schedule 3.24(a), the Owned IP was developed entirely by (i) full time employees of a

Selling Entity working within the scope of their employment within the meaning of 17 USC Section 101 during the period (for each such person, the employee's "Engagement Period") in which either (I) (A) he or she was a full time employee of a Selling Entity, (B) he or she was employed only by a Selling Entity and (C) he or she was expressly employed for the purpose of or his written job description in the employment of a Selling Entity at the time of such actions included as a primary duty the development of part of the Owned IP or (II) he was subject to a valid and enforceable written Contract which assigned to such Selling Entity ownership of the work or works produced, including, without limitation, all intellectual property rights therein (such employee, solely when meeting all of these criteria, referred to as a "Developer"), or (ii) independent contractors or consultants engaged by a Selling Entity which have assigned in writing to such Selling Entity their entire right, title, and interest in and to the work or works produced, including without limitation all intellectual property rights therein pursuant to a valid and enforceable written Contract (such contractor or consultant meeting these criteria also referred to as a "Developer"). Except as set forth in Schedule 3.24(a), no material Owned IP includes any Intellectual Property in which any Person other than a Selling Entity have or may acquire any right of ownership, control or compensation, any invention made by any employee of a Selling Entity who was not hired to invent at any time other than during the employee's Engagement Period or any independent contractor or consultant engaged by a Selling Entity who is not subject to one of the Contracts referred to in this Section 3.24(a)(ii), or the product of any effort to develop independently, through a "clean room" effort or otherwise, an expression in which any Person other than a Selling Entity has intellectual property rights. None of the Owned IP is the product of a joint invention or authorship by a Developer and any Person who is not also a Developer. To the best knowledge of the Selling Entities, no right of any Person other than a Selling Entity to any patent, patent application, trademark or copyright is embodied in any of the Owned Software, except as set forth on Schedule 3.24(a).

(b) The Selling Entities have taken appropriate measures to (i) protect and obtain (but not register) copyrights and (ii) protect for the sole use and benefit of the Selling Entities the confidential and proprietary nature of the trade secrets, source code, object code and access codes for the Owned Software. Except as set forth in Schedule 3.24(b), each Person, including without limitation employees, agents, consultants, distributors and licensees of a Selling Entity, who has had access to or otherwise been exposed to such Software or trade secrets related thereto (including without limitation any of the source code for the Owned Software) has been advised of the confidential and proprietary nature thereof and any such agent, consultant, distributor or licensee has been required to enter into a written agreement with a Selling Entity acknowledging and agreeing that (i) the Owned IP is and shall remain the sole and exclusive property of, and may be confidential to, such Selling Entity, and (ii) the Owned IP is not to be used or disclosed to any Person other than as specifically authorized by such Selling Entity. Each of the Contracts referred to in Section 3.24(b) and the Contracts referred to in Section 3.24(a)(i) was and is in full force and effect, and constitutes the legal, valid and binding obligation of each Selling Entity which is a party thereto and, to the best knowledge of the Selling Entities, each other Person which is a party thereto, enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and that the remedy of specific performance and injunctive relief may be subject to equitable defenses and to the discretion of

the court before which any proceeding may be brought. Each Selling Entity has kept all of the Trade Secrets relating to the Software, including without limitation all of the source code for the Owned Software, strictly confidential and secret. Such Trade Secrets are not and have not been a part of the public knowledge or literature. No Selling Entity has disclosed, divulged or otherwise provided access to any part of the source code, object code or access codes for the Owned Software other than to Persons which have entered into written confidentiality agreements with the appropriate Selling Entity or who have a confidential relationship with the Selling Entity or a duty to keep such source code for the Owned Software confidential. To the best knowledge of the Selling Entities, no Person which is a party to such a confidentiality agreement or has a confidential relationship with any Selling Entity is in violation of, or in default under, any term or provision of such Contract which relates to the Owned IP.

3.25 Brokers. None of the Selling Entities has authorized any Person to act as a broker or finder or in any similar capacity in connection with this Agreement or the transactions contemplated hereby in such a manner as to give rise to a valid claim against Bentley for any brokers' or finders' fees or similar fees or expenses.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BENTLEY

To induce the Selling Entities to enter into this Agreement and to consummate the transactions contemplated hereby, Bentley represents and warrants to the Selling Entities as set forth in this Article IV.

4.1 Corporate Existence and Authority. Bentley is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Bentley has all requisite power and all requisite franchises, licenses, permits and authority to own and lease its properties and assets and to carry on its business, as such business has been conducted and is being conducted currently.

4.2 Authorization and Effect of Agreement, Etc. Bentley has all requisite power and authority to enter into, execute and deliver this Agreement and the other agreements contemplated hereby and to perform its obligations hereunder and thereunder and to consummate the respective transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by Bentley and the other agreements contemplated hereby and the consummation by Bentley of the transactions contemplated hereby and thereby have been duly authorized by all corporate action. This Agreement has been, and the other agreements contemplated hereby will be, duly executed and delivered by Bentley and constitutes, or when executed and delivered will constitute, the valid and binding obligation of Bentley, enforceable in accordance with their respective terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally.

4.3 No Violation. Neither the execution, delivery or performance by Bentley of this Agreement or any other agreement contemplated hereby, nor the consummation by Bentley of any of the transactions contemplated hereby or thereby in accordance with the terms hereof or thereof, does or will (with the passage of time, the giving of notice or otherwise): (a) violate or conflict with any provision of the Certificate of Incorporation or Bylaws of Bentley; (b) violate, conflict with, modify or cause any default under or acceleration of (or give any party any right to declare any default or acceleration, upon notice or passage of time or otherwise, with respect to), in whole or in part, any Lien or Contract to which Bentley is a party or by which Bentley or any of its properties are bound; (c) violate, conflict with or cause any default under (or give any party any right to declare any default, upon notice or passage of time or otherwise, under) any Legislative Enactments or any other restriction of any kind or character to which Bentley is a party or by which Bentley or any of its properties is bound; or (d) to the best knowledge of Bentley, any Tribunal to impose any restrictions or limitations of any nature on Bentley or its properties or activities.

4.4 Consents. Bentley has fully complied with the requirements of the HSR Act and the documents filed by it pursuant to the HSR Act adequately respond to its requirements. No other Consent of, or registration, declaration or filing with, or permit from, any Tribunal, lessor, lender or any other Person is required to be made or obtained by Bentley in connection with the execution, delivery and performance by Bentley of this Agreement or the other agreements contemplated hereby or the consummation of the transactions contemplated hereby or thereby in accordance with the terms hereof and thereof.

4.5 Challenges To This Agreement. No suit, action, proceeding or investigation against Bentley challenging this Agreement or any of the transactions contemplated hereby or claiming damages in connection with this Agreement or any of the transactions contemplated hereby has been instituted or, to the knowledge of Bentley, threatened.

4.6 Brokers. Bentley has not authorized any Person to act as a broker or finder or in any similar capacity in connection with this Agreement or the transactions contemplated hereby in such a manner as to give rise to a valid claim against any Selling Entity for any brokers' or finders' fees or similar fees or expenses.

ARTICLE V

COVENANTS OF THE SELLING ENTITIES

To induce Bentley to enter into this Agreement and to consummate the transactions contemplated hereby, the Selling Entities jointly and severally covenant as follows:

5.1 Consummation of Transactions. Subject to the terms and conditions herein provided, from the date hereof through the Closing Date, each Selling Entity will use commercially reasonable efforts to take, or cause to be taken, all actions and do, and cause to be done, all things necessary, proper or advisable to consummate and make effective, as promptly as practicable, the

transactions contemplated by this Agreement. From the date hereof through the Closing Date, no Selling Entity shall voluntarily take any action or course of action inconsistent with the satisfaction of the conditions, terms and provisions of this Agreement or the consummation of the transactions contemplated by this Agreement.

5.2 Conduct of Business. From the date hereof and through the Closing Date, each Selling Entity shall conduct its business with respect to such portion of the Acquired Assets as it may control only in the ordinary course of business, consistent with past practices, unless Bentley shall otherwise consent in writing. Without limiting the generality of the foregoing, unless Bentley has given its prior written consent, no Selling Entity will take any action that would cause the breach of any covenant of such Selling Entity in this Agreement (including in this Article V) or that would cause the representations and warranties of such Selling Entity in this Agreement (including those set forth in Article III) to be untrue in any respect at any time through the Closing Date.

5.3 Preservation of Business. Without limiting the generality of Section 5.1 and Section 5.2, from the date hereof and through the Closing Date, each Selling Entity will, with respect to such portions of the Acquired Assets and the Assumed Liabilities as it may control:

(a) use its best efforts to preserve intact its present business organization and not alter or change its methods of operation;

(b) use its best efforts to preserve its goodwill and its present business relationships with all Persons;

(c) use its best efforts to keep available the services of its present officers and employees, except as Bentley may otherwise reasonably request, provided that the Selling Entities shall not be obligated to increase compensation or benefits outside of the ordinary course of business in order to retain such persons;

(d) maintain and keep its respective portion of the Acquired Assets in good repair and condition, normal wear and tear excepted;

(e) pay and perform, when due, all obligations under its Contracts relating to the Acquired Assets;

(f) comply with and perform all its obligations and duties imposed by all Legislative Enactments, except as may be contested by such Selling Entity in good faith by appropriate proceedings;

(g) not amend or make other changes to its Certificate of Incorporation or Bylaws or other organic document in any manner whatsoever that would inhibit or hinder its ability to consummate the transactions contemplated hereby;

(h) not purchase, sell, lease, mortgage, pledge or otherwise acquire or dispose of its respective portion of any Acquired Assets, except for tangible personal property purchased, sold, leased or pledged in the ordinary course of business, consistent with past practices;

(i) not enter into, or become obligated under, any Contract relating to any of the Acquired Assets, or change, amend, terminate or otherwise modify any such Contract, except for normal purchase, sale, license and lease agreements and commitments for tangible personal property which are entered into in the ordinary course of business, consistent with past practices;

(j) except in the ordinary course of business, consistent with past practices, not waive, compromise or settle any right or claim with respect to the Acquired Assets, or institute, settle or agree to settle any litigation, action or proceeding with respect to the Acquired Assets before any Tribunal;

(k) not subject any of the Acquired Assets to any newly created Lien or other adverse interest or restriction, other than Liens for Taxes not yet due and payable that have been incurred in the ordinary course of business, consistent with past practices;

(l) not grant any rebates, discounts, advances or allowances to any customers with respect to the Civil, Raster or Plotting products, except in the ordinary course of business, consistent with past practices (without limiting the generality of the foregoing, none of the Selling Entities shall provide any such products (including Software products) or services at discounted rates or free of charge to any customer as a rebate, discount or advance, except in the ordinary course of business, consistent with past practices);

(m) not use or sell the inventories included in the Acquired Assets, except in the ordinary course of business, consistent with past practices; and

(n) not enter into any stocking transactions with dealers or resellers pursuant to which such dealers or resellers purchase products included in the Acquired Assets for the purpose of holding such products in their inventories in quantities that exceed their customary quantities of such products.

5.4 Access to Information. From the date hereof to the Closing Date, each Selling Entity shall furnish, and shall cause each Affiliate of such Selling Entity which it directly or indirectly controls to furnish, to the officers, employees and agents of Bentley reasonable access to (a) the officers, employees, agents, properties, Books and Records as they relate to its respective portion of the Acquired Assets and (b) all of its financial, operating and other data and information with respect to its respective portion of the Acquired Assets. No such examination, inspection or audit by Bentley or its agents and representatives (whether in accordance with this Section 5.4 or

otherwise) shall in any way diminish, modify, terminate or otherwise affect the respective representations, warranties, covenants or agreements of the Selling Entities contained in this Agreement or in any certificate or other instrument furnished or to be furnished by the Selling Entities or any Affiliate of the Selling Entities in connection with this Agreement.

5.5 Notification of Certain Matters. Prior to the Closing Date, each Selling Entity shall give prompt notice to Bentley of (a) any threatened or actual lawsuit, any proposed settlement of any threatened or actual lawsuit and any pending or threatened governmental action or proceeding of any kind known to such Selling Entity which relates to its respective portion of the Acquired Assets or the transactions then contemplated by this Agreement; or (b) any material failure of the Selling Entities to comply with or satisfy any covenant, condition or agreement then remaining to be complied with or satisfied by it hereunder.

5.6 Non-Solicitation. From the date hereof and until the second anniversary of the Closing Date, no Selling Entity or any Affiliate of a Selling Entity shall, directly or indirectly, solicit for employment (other than through public advertisements or other widely disseminated employment notices) or hire any Transferred Employee who is then currently employed by Bentley or its Affiliates. From the date hereof and until the first anniversary of the Closing Date, neither Bentley nor any Affiliate of Bentley, or Intergraph nor any Affiliate of Intergraph, shall, directly or indirectly, solicit for employment (other than through public advertisements or other widely disseminated employment notices) any person who is then currently employed by the other party or its Affiliates in the United Kingdom, Germany, Switzerland, Austria, France, Sweden, Denmark, Norway, Finland, Russia, Poland, Czechoslovakia, Spain, Portugal, Italy, Greece, the Netherlands or Belgium.

5.7 Further Assurances; Transition Period. If at any time after the Closing, Bentley shall consider or be advised that any further assignments, conveyances, transfers or assurances in law, or any other actions or things, may be necessary or appropriate to assign, convey, transfer, set over or deliver to, or to vest, perfect or confirm in, Bentley any right, title or interest of any Selling Entity, of record or otherwise, in or to the Acquired Assets or to place Bentley in operating control of any of the Acquired Assets, such Selling Entity shall promptly execute, deliver and record, or cause to be executed, delivered and recorded, any and all such further instruments of assignment, conveyance and transfer and take, or cause to be taken, all actions and do, or cause to be done, all things, as may be reasonably requested by Bentley at Bentley's expense to assign, convey, transfer, set over and deliver to, and to vest, perfect and confirm in, Bentley all right, title and interest of such Selling Entity, of record and otherwise, in and to the Acquired Assets or to place Bentley in operating control of any of the Acquired Assets. Each Selling Entity shall also, without additional consideration, provide assistance to Bentley as may be reasonably requested by Bentley to assure the orderly transition of the Acquired Assets to Bentley.

5.8 Non-Competition. As a material inducement for Bentley to enter into this Agreement, the Selling Entities covenant and agree that, commencing on the Closing Date and continuing for a period of four (4) years thereafter, the Selling Entities shall not, and will cause their Affiliates not to, directly or indirectly, do any of the following:

(a) develop, market or distribute any product (i.e., products used primarily for road or rail design or survey) or maintenance programs that compete with the Civil products included in the Acquired Assets or related maintenance for such products; provided, however, that (i) the Selling Entities or their Affiliates may develop, market or distribute certain products that are not included in the Acquired Assets that contain, or in the future may contain, certain civil functions (e.g., DTM creation, modeling and analysis, and surveying) (the "Permitted Civil Products"); provided that neither the Selling Entities nor any of their Affiliates will develop, market or sell any of the Permitted Civil Products in substitution of or as a replacement for the Civil products included in the Acquired Assets or maintenance programs for such products, and (ii) Intergraph and its Affiliates may list Team GeoMedia products developed by its Team GeoMedia Business Partners (as designated by Intergraph from time to time in accordance with its Team GeoMedia publications, and none of which are Intergraph Affiliates) in (a) Intergraph's catalogues for GeoMedia products, (b) its GeoMedia web site, and (c) any other Intergraph marketing programs for Team GeoMedia products; provided, in each case, that Intergraph's materials and web site and programs shall not publicize any program offering Team GeoMedia products in substitution of or as a replacement for the Civil products included in the Acquired Assets or maintenance programs for such products; and, provided further, that Team GeoMedia products shall not be Permitted Civil Products hereunder except to the extent of activities described in (a) through (c) in this subparagraph (ii);

(b) develop, market or distribute any products designed primarily to plot, (or view representations thereof created in order to be plotted) MicroStation and/or AutoCAD and/or Intellicad files (or files produced by any MicroStation or AutoCAD or Intellicad layered application, or any DGN or DWG files), or any maintenance program that competes with the Plotting products included in the Acquired Assets or related maintenance for such products. The foregoing shall not preclude: (A) products of the Selling Entities which are: (i) for use in projects where the Selling Entities then provide vertical engineering design products that are not layered on AutoCAD, Intellicad, or MicroStation, and (ii) marketed primarily to plot data created by such vertical engineering design products; or (B) maintenance of the Selling Entities which: (i) is designed and marketed primarily for the products described in (A), and (ii) does not provide discounted or concessionary "competitive upgrades" (or similarly targeted marketing) to replace the Plotting products included in the Acquired Assets. For the purpose of this Section 5.8(b), the Bundled Products to be defined in the OEM Agreement between the parties when executed and delivered, will be considered MicroStation layered applications;

(c) develop, market or distribute any stand-alone or server-based MicroStation-based raster product for processing engineering drawings (other than for GIS/Photogrammetry), or any maintenance programs that compete with the Raster products included in the Acquired Assets or related maintenance for such products, except in either case excluding the Selling Entities' or their Affiliates' non-MicroStation based technology platforms that may be developed in the future.

In the event that the provisions of this Section 5.8 should ever be deemed to exceed the time or geographic limitations or any other limitations permitted by applicable law in any

jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum permitted by applicable law. Each of the Selling Entities specifically acknowledges and agrees that the foregoing restrictions are reasonable and necessary to protect the legitimate interests of Bentley, that Bentley would not have entered into this Agreement in the absence of such restrictions, that any violation of such restrictions will result in irreparable injury to Bentley, that the remedy at law for any breach of the foregoing restrictions will be inadequate, and that, in the event of any such breach, Bentley, in addition to any other relief available to it, shall be entitled to temporary injunctive relief before trial from any court of competent jurisdiction as a matter of course and to permanent injunctive relief without the necessity of quantifying actual damages.

5.9 Certain Employee Benefit Matters.

(a) The Selling Entities' Incentive Benefits. Not later than thirty days following the Closing Date, each Selling Entity will pay to the Transferred Employees any incentive compensation benefits due to such Transferred Employees through the Closing Date and to the other Transferred Employees the pro rata portion of the bonus payments to such persons through the Closing Date, if any, in accordance with such Selling Entity's bonus scheme in effect for 2000. For each Transferred Employee, such Selling Entity will pay Bentley at the Closing (by way of a set off against the cash portion of the Consideration) the amount of such Selling Entity's liability for accrued vacation for such Transferred Employee in the amount assumed by Bentley. For accrued vacation not assumed by Bentley, such Selling Entity will pay these liabilities directly to the Transferred Employee within thirty days following the Closing.

(b) Intergraph's Stock Incentive Plan. Intergraph shall extend, for a period of three months from the date of termination with respect to each Transferred Employee, the exercise periods under the Intergraph Corporation 1992 Stock Option Plan and the Intergraph Corporation 1997 Stock Option Plan for all vested awards as of the date of termination of employment by Intergraph of such Transferred Employee.

(c) Employment Assistance. Each Selling Entity will cooperate with Bentley in (i) the facilitation of the transfer of the Transferred Employees to Bentley, (ii) the performance by Bentley of its obligations under Section 6.3 to offer employment with Bentley to such employees of such Selling Entity as such parties shall agree upon prior thereto and (iii) Bentley's effort to employ such employees. No Selling Entity will (A) except upon the authorization and direction of Bentley, make any representations, promises or other communications, whether written or oral, to such employees regarding employment with Bentley or employee benefits, plans or practices of Bentley, or (B) take any act that diminishes Bentley's right to dismiss, subject to applicable law, any such employee with or without cause.

(d) Expense Report Reimbursement. Each Selling Entity will reimburse a Transferred Employee for any business related expenses incurred by that Transferred Employee

with respect to the period prior to the Closing in accordance with such Selling Entity's standard expense reimbursement policy.

(e) Intergraph 401(k) Plan. Effective as of the date of the termination of employment by a Selling Entity in connection with this transaction, Intergraph, at its expense, shall take all actions which are necessary and appropriate to fully vest each Transferred Employee in all amounts in such employee's individual account in the Intergraph Corporation SavingsPlus Plan (the "Intergraph 401(k) Plan"). Any Transferred Employee who, as of the date of termination of such employee's employment with a Selling Entity, has an outstanding balance on any loan from the Intergraph 401(k) Plan, shall be eligible to transfer such loan, along with all amounts vested in such employee's Intergraph 401(k) Plan individual account, into the Bentley 401(k)/Profit Sharing Plan (the "Bentley 401(k) Plan") pursuant to a trust-to-trust transfer ("Plan Asset Transfer") made in accordance with the administrative policies and procedures of the Bentley 401(k) Plan and Section 414(l) of the Code, provided that at the time of the Plan Asset Transfer Intergraph represents and warrants to Bentley that the Intergraph 401(k) Plan (i) provides for Plan Asset Transfers and (ii) is a qualified employee pension benefit plan in compliance with Code Sections 401 et seq. The plan administrator of the Intergraph 401(k) Plan shall, upon reasonable request, promptly provide the plan administrator of the Bentley 401(k) Plan with any and all data, records and other information pertaining to any Transferred Employee, a beneficiary, dependent, spouse or former spouse of any Transferred Employee, the Intergraph 401(k) Plan individual account for any Transferred Employee, and any other information considered necessary and appropriate for the plan administrator of the Bentley 401(k) Plan to establish and administer an individual account for any Transferred Employee in the Bentley 401(k) Plan. The plan administrator of the Intergraph 401(k) Plan shall further cooperate to take all such reasonable actions as are necessary or appropriate for such plan administrator to take to effect the Plan Assets Transfer in a timely and efficient manner, including the filing of any reports, notices or disclosures which may be required by any governmental agency.

(f) Social Security Contributions; Health Insurance. The Selling Entities shall pay or cause to be paid all amounts accrued by them for social security contributions and employee health and welfare insurance with respect to Transferred Employees for years and periods (and portions thereof) ended on or prior to the Closing Date.

5.10 Enforcement of Certain Contracts and Confidentiality Agreements. The Selling Entities agree to enforce, for the benefit of Bentley, any and all rights of the Selling Entities under any Contract retained by the Selling Entities pursuant to which any confidential or proprietary information relating to any of the Acquired Assets was provided by the Selling Entities to any Person. The Selling Entities shall promptly inform Bentley of any breach of which any of them become aware by any Person of the confidentiality obligations under any such Contract relating to confidential or proprietary information relating to any of the Acquired Assets.

5.11 Confidential Information. Each of the Selling Entities hereby acknowledges that Bentley would be irreparably damaged if any proprietary or confidential information possessed

by any Selling Entity concerning the Acquired Assets or Bentley (except for any information that is or becomes generally known to the public, otherwise than through a breach of this Agreement) were disclosed to or used by any Person engaged in competition with the Civil, Raster and Plotting products. Each of the Selling Entities shall not, and shall not permit any of their Affiliates, directors, officers, employees, accountants, agents or other representatives to use or disclose any such confidential or proprietary information, except as expressly permitted hereunder. If any Selling Entity is requested or required by any Tribunal to disclose any of such proprietary or confidential information, then such Selling Entity will provide Bentley with prompt written notice of such request or requirement. Bentley may then either seek appropriate protective relief from all or part of such request or requirement or waive such Selling Entity's compliance with the provisions of this Section 5.11 with respect to all or part of such request or requirement. Each Selling Entity shall cooperate with Bentley in attempting to obtain any reasonable protective relief that Bentley chooses to seek. If, after Bentley has had a reasonable opportunity to seek such relief, Bentley fails to obtain such relief, then such Selling Entity may disclose only that portion of such proprietary or confidential information which its legal counsel advises it is compelled to disclose.

5.12 Assistance and Cooperation. After the Closing Date, each applicable Selling Entity agrees:

(a) to assist Bentley in preparing any tax returns that it is responsible for preparing and filing after the Closing Date with respect to the Acquired Assets conveyed on the Closing Date to the extent such tax returns require information not included within such Acquired Assets; to reasonably cooperate, at Bentley's expense, in preparing for any audits of, or disputes with Tribunals regarding, any tax returns relating to the Acquired Assets; and to make available to Bentley and to any Tribunal as reasonably requested all information, records and documents relating to liabilities for taxes associated with the Acquired Assets;

(b) to provide Bentley with reasonable access to the portions of such Selling Entity's tax records and reports, general ledgers and any other books, records, files or correspondence which relate to the Acquired Assets and to preserve all such information, records and documents until the expiration of any applicable statutes of limitation or extensions thereof and as otherwise required by law; and

(c) to provide timely notice to Bentley in writing of any pending or threatened tax audits or assessments related to the Acquired Assets for periods beginning after the Closing Date and of which such Selling Entity has knowledge and to furnish Bentley with copies of all correspondence received from any Tribunal in connection with any tax audit or information request with respect to any such period.

ARTICLE VI

COVENANTS OF BENTLEY

To induce the Selling Entities to enter into this Agreement and to consummate the transactions contemplated hereby, Bentley covenants as follows:

6.1 Consummation of Transactions. Subject to the terms and conditions herein provided, from the date hereof through the Closing Date, Bentley will use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective, as promptly as practicable, the transactions contemplated by this Agreement. From the date hereof through the Closing Date, Bentley shall not voluntarily take any action or course of action inconsistent with the satisfaction of the conditions, terms and provisions of this Agreement or the consummation of the transactions contemplated by this Agreement.

6.2 Notification of Certain Matters. Prior to the Closing Date, Bentley shall give prompt notice to the Selling Entities of any material failure of Bentley or any officer, director, employee or agent thereof, to comply with or satisfy any covenant, condition or agreement then remaining to be complied with or satisfied by it hereunder.

6.3 Employment. Prior to the Closing, Bentley has offered employment with Bentley to the Transferred Employees. Such offers were consistent with the hiring policies of Bentley and included employee benefits generally comparable to those of other similarly situated Bentley employees. If the annual salaries offered to non-U.S. Transferred Employees are less than the annual salaries being paid to such non-U.S. Transferred Employees' by the Selling Entities prior to Bentley's employment offer, Bentley shall increase the annual salaries offered to such non-U.S. Transferred Employees to equal the annual salaries they had been receiving from Intergraph prior to Bentley's employment offer. Bentley reserves the right to revoke the offer and refuse to hire any employee who does not satisfy Bentley's pre-employment requirements. Bentley will assume each Selling Entity's liability to the Transferred Employees for accrued vacation up to one week in the aggregate for each Transferred Employee, and the amount of such assumed liabilities shall be set off against the cash portion of the Consideration payable at Closing. Bentley shall provide each Transferred Employee who works in the United States with holiday paid time-off for December 26, 2000 through and including December 29, 2000. Bentley shall also allow such employees to carry over the number of accrued vacation days (not to exceed five days) to which he or she is entitled as of the Closing and apply such accrued vacation days to his or her vacation time in 2001 in addition to Bentley's normal vacation allowance for such employees during the calendar year 2001. Bentley shall recognize the service with the Selling Entities of each Transferred Employee for employee benefit purposes, including vacation policy; provided, however, that in consideration of the foregoing obligations of Bentley with respect to non-U.S. Transferred Employees, Bentley shall be entitled to an offset against the Consideration in the amount of $219,600. Nothing in this Agreement shall diminish the right of Bentley, subject to any then applicable Legislative Enactments, to dismiss any of those employees of a

Selling Entity who become employees of Bentley with or without cause and to change the terms and conditions of employment of any or all of such employees.

On or before January 31, 2001, Bentley shall pay Intergraph, for itself and the other Selling Entities, an amount equal to $414,300 multiplied by 130% multiplied by the quotient of the number of days from December 1, 2000 to the Closing divided by 31.

6.4 Trade Names and Service Marks. Bentley agrees that it will discontinue the use, directly or indirectly, in any manner or form, of the name "Intergraph" and the corresponding logo thereof; provided, however, that until the six-month anniversary of the Closing Date, Bentley shall be permitted to use such name and logo only in connection with the distribution of inventory and supplies included in the Acquired Assets; and provided further that at any time following the Closing Date, Bentley shall be able to identify that the Acquired Assets were previously owned by the Selling Entities. Further, after the Closing, Bentley may use the name "Intergraph" and the corresponding logo thereof in the maintenance of the Acquired Assets and wherever its removal effects the operation of the Acquired Assets including registry keys, file system paths, and software component identifiers.

6.5 Assistance and Cooperation. After the Closing Date, Bentley shall, to the extent reasonably requested by the Selling Entities, make available to the Selling Entities and to any Tribunal all information, records and documents relating to (i) liabilities of the Selling Entities for Taxes relating to the Acquired Assets, (ii) matters disclosed on Schedule 3.12, and (iii) such other matters as the Selling Entities may reasonably request relating to the Excluded Assets or the performance of obligations with respect thereto. Without limiting the generality of the foregoing, upon the request of the Selling Entities, Bentley shall use commercially reasonable efforts to permit certain of the Transferred Employees identified by the Selling Entities to appear as witnesses or trial representatives, and to assist the Selling Entities in trial preparation in connection with any litigation or proceeding relating to the matters disclosed on Schedule 3.12; provided, however, that the Selling Entities shall bear all reasonable out-of-pocket expenses (but without other expense or hourly charges) incurred by such Transferred Employees in providing any such requested assistance to the Selling Entities.

6.6 Transfer of Certain Non-U.S. Pension Assets. Bentley and the Selling Entities shall take all steps reasonably required by the applicable law of any foreign jurisdiction to transfer the pension assets vested in any non-U.S. Transferred Employees under Intergraph's pension plan.

6.7 OEM Agreement. As promptly as practical following the Closing, Bentley and Intergraph shall enter into a MicroStation OEM Agreement consistent with the terms set forth in that certain letter of intent dated April 20, 2000 between Bentley and Intergraph.

ARTICLE VII

MAINTENANCE

7.1 Transferred Maintenance Revenues. Bentley hereby agrees to perform the maintenance obligations under the Maintenance Agreements on behalf of the Selling Entities with respect to the products included in the Acquired Assets. The Selling Entities shall be entitled to all revenues accrued under the Maintenance Agreements for any period prior to the MCO Date. Prior to the Closing, for purposes of calculating the principal amount of the Note on a preliminary basis (the "Preliminary Note Amount"), the Selling Entities shall provide Bentley with a schedule ("Schedule 7.1") which lists all Maintenance Agreements in effect in the United States as of October 31, 2000 and in effect outside of the United States as of July 31, 2000, specifying, without limitation, the products covered thereunder, the remaining terms thereof and the Maintenance Agreements that are scheduled to expire on or before the MCO Date. The revenues set forth on Schedule 7.1 shall be net of any third-party costs and shall not include any maintenance revenues with respect to the MicroStation product, and shall reflect those revenues that will accrue under all of the Maintenance Agreements for the period (for each such agreement) from the MCO Date through and including the earlier of (i) the expiration of the current term of the Maintenance Agreement in question (treating any renewal date as an expiration date), and (ii) the first anniversary of the MCO Date, (such earlier date is referred to herein as the "Expiration Date"). Such Schedule 7.1 is referred to herein as the "Schedule of Transferred Maintenance." The aggregate net maintenance revenues set forth on the Schedule of Transferred Maintenance for the period from the MCO Date to the Expiration Date is referred to herein as the "Transferred Maintenance Revenues." The Schedule of Transferred Maintenance Revenues shall also set forth the aggregate Transferred Maintenance Revenues by month and by currency for each country. The Preliminary Note Amount shall be equal to 1.5 times the amount of Transferred Maintenance Revenues. Within 50 days following the Closing, the Selling Entities shall use their good faith efforts to complete and shall provide to Bentley an updated Schedule of Transferred Maintenance setting forth all Maintenance Agreements in effect as of the MCO Date (the "Initial Updated Schedule of Transferred Maintenance"). The Initial Updated Schedule of Transferred Maintenance shall clearly show all changes from the initial schedule that was delivered at the Closing. Upon delivery of the Initial Updated Schedule of Transferred Maintenance, the Note shall be adjusted as provided in Section 2.2(c)(ii) hereof and the Intergraph payments described in Section 7.2 below shall be appropriately adjusted with retroactive effect to the MCO Date. If, despite the Selling Entities' good faith efforts, the Initial Updated Schedule of Transferred Maintenance does not reflect all Maintenance Agreements in effect as of the MCO Date, then the Selling Entities shall, within 150 days following the Closing, provide Bentley with a further updated Schedule of Transferred Maintenance ("Second Updated Schedule of Transferred Maintenance") setting forth all Maintenance Agreements as of the MCO Date. The Second Updated Schedule of Transferred Maintenance shall clearly show all changes from the initial schedule that was delivered at the Closing and the Initial Updated Schedule of Transferred Maintenance. Upon delivery of the Second Updated Schedule of Transferred Maintenance, the Note shall be further adjusted as provided in Section 2.2(c)(ii) hereof and the Intergraph payments described in Section 7.2 below shall be appropriately adjusted with retroactive effect to the MCO Date. All references herein to the "Schedule of Transferred Maintenance" after delivery of the Initial Updated Schedule of Transferred Maintenance or after delivery of the Second Updated Schedule of Transferred Maintenance, as the case may be, means such schedule as so updated; and the Transferred Maintenance Revenues reflected on each such schedule shall be referred to herein as the "Transferred Maintenance Revenues."

7.2 Payment of Transferred Maintenance Revenues to Bentley and BSI Netherlands. For each Maintenance Agreement, during the period from the MCO Date through and including its Expiration Date, the Selling Entities will continue to invoice and collect the Transferred Maintenance Revenues from the subscriber. Subject to Section 7.5, within 30 days after the end of each month during said period, (a) Intergraph will remit to Bentley, regardless of amounts actually collected by the Selling Entities from the subscriber, a subcontractor fee in an amount equal to 95% of the Transferred Maintenance Revenues (excluding Transferred Maintenance Revenues relating to maintenance services provided to customers located in European countries (the "European Transferred Maintenance Revenues")) accrued for the immediately preceding month, and (b) the Selling Entities will remit to BSI Netherlands, regardless of amounts actually collected by the Selling Entities from the subscriber, a subcontractor fee in an amount equal to 95% of the European Transferred Maintenance Revenues accrued for the immediately preceding month. Monies remitted to Bentley and BSI Netherlands pursuant to this Section 7.2 shall be paid in U.S. dollars computed, for all Maintenance Agreements paid in non-U.S. currencies, at the exchange rate used to compute the amount of the Note at Closing, and payments hereunder to Bentley and BSI Netherlands shall be delivered via wire transfer of immediately available funds.

7.3 Renewed Maintenance Revenues. Subject to Section 7.5, from and after the Closing Date, the Selling Entities shall have no authority to and shall not take any action to enter into any new or renew any Maintenance Agreements between itself and any subscriber with respect to the Civil, Raster or Plotting products. At or prior to the Expiration Date for each Maintenance Agreement, the Selling Entities and Bentley shall jointly take all appropriate actions to solicit and encourage subscribers to renew their maintenance programs for the products included in the Acquired Assets with Bentley or BSI Netherlands, as applicable. Within 30 days after the first anniversary of the MCO Date, Bentley shall provide Intergraph with a list of all subscribers from the list of subscribers described in the Schedule of Transferred Maintenance who have renewed such maintenance programs with Bentley or BSI Netherlands, as applicable. From and after the Expiration Date of the Maintenance Agreements, Bentley or BSI Netherlands, as applicable, shall be entitled to all Renewed Maintenance Revenues. For purposes hereof, "Renewed Maintenance Revenues" shall mean, with respect to the products included in the Acquired Assets, the monthly maintenance fees related to maintenance programs renewed with Bentley or BSI Netherlands, as applicable, after their respective Expiration Dates. Solely for purposes of calculating the Renewed Maintenance Revenues, the monthly maintenance fee (payable in foreign currency if applicable) for each renewed Maintenance Agreement shall be assumed to be the same as it was in the calculation of the Transferred Maintenance Revenues as of the first month after the MCO Date for the period (for each agreement) from the Expiration Date to the end of the first year after the MCO Date, notwithstanding the actual fee upon such renewal.

Bentley acknowledges that Intergraph has, prior to the date of this Agreement, provided price quotes in the ordinary course of its business relating to the renewal of maintenance services to certain of its customers whose Maintenance Agreements are scheduled to expire within 90 days following the date on which such price quotes were provided (the "Quoted Prices"). To the extent Bentley enters into renewed Maintenance Agreements with such customers following the Closing, Bentley shall, for the term of the renewed Maintenance Agreements, provide

maintenance services thereunder at the Quoted Prices, provided that such Quoted Prices were consistent with Intergraph's past practice.

7.4 Foreign Currencies. In calculating the Transferred Maintenance Revenues and the Renewed Maintenance Revenues for purposes of determining and adjusting the principal amount of the Note under Section 2.2(c)(ii), the portion of such revenues paid in non-U.S. currencies shall be denominated in U.S. dollars at the currency exchange rates in effect two Business Days before the Closing Date (with respect to Transferred Maintenance Revenues) and two Business Days before the date the Note is adjusted (with respect to Renewed Maintenance Revenues).

7.5 CAD II Maintenance. The administration of and post-Closing payment obligations pertaining to CAD II Maintenance Agreements shall be governed by the Master Agreement for Local Purchasing and Select Partner Agreements, dated as of the date hereof, by and between Bentley and Intergraph. Transferred Maintenance Revenues and Renewed Maintenance Revenues under the CAD II Maintenance Agreements shall be calculated based upon the net amounts payable to Bentley for purposes of computing the principal amount of the Note.

ARTICLE VIII

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BENTLEY

The obligations of Bentley under this Agreement to acquire the Acquired Assets and to assume the Assumed Liabilities shall be subject to the fulfillment of all of the following conditions at or before the Closing:

8.1 Representations and Warranties. Each of the representations and warranties made by the Selling Entities set forth herein or in any Schedule, exhibit, instrument or other document delivered to Bentley pursuant to this Agreement shall be true and correct in all material respects as of the date hereof and on and as of the Closing Date, to the same extent and with the same effect as if made on and as of the Closing Date, except where such representation clearly relates to another date specified therein (in which case, such representation or warranty shall relate to such specific date).

8.2 Performance by Selling Entities. The Selling Entities shall have fully performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by each of them on or before the Closing.

8.3 Prohibitions, Restrictions and Litigation. On the Closing Date, there shall be no proceeding or other litigation outstanding or pending by any other Person against Bentley which prohibits or restricts, challenges or reasonably may be expected to give rise to a material challenge to the consummation of the transactions contemplated by this Agreement or which claims (or reasonably may be expected to give rise to a claim of) damages as a result of the

consummation of the transactions contemplated by this Agreement or otherwise have a material adverse effect on the Acquired Assets.

8.4 Consents. The waiting period under the HSR Act shall have expired or been terminated. The Selling Entities shall have received the Consents referred to in Schedule 3.4(a) that relate to the Closing and such other material Consents from any Tribunal or other Person as may be necessary or appropriate (a) to consummate the transactions contemplated by this Agreement with respect to the Closing; (b) to enable Bentley to utilize the Acquired Assets subsequent to the Closing in substantially the same manner as they were utilized prior to the Closing; or (c) that are necessary to prevent a breach of or a material default or penalty, or material increase in payments under, or a termination of any material Contract included in the Acquired Assets. Bentley shall have received the Consents referred to in Section 9.4.

8.5 Lien Searches. Bentley shall have received current Uniform Commercial Code, judgment, bankruptcy and tax lien searches from the State of Alabama, the State of Delaware and other jurisdictions for each name under which a Selling Entity has held or utilized the Acquired Assets in the past five (5) years and the results of such searches shall evidence that no Liens, adverse claims or restrictions or judgments of record exist against any of the Acquired Assets which have not been discharged or terminated on or prior to the Closing Date. The Selling Entities shall have delivered to Bentley duly executed releases or terminations of financing statements, or other evidence satisfactory to Bentley that all Liens on any Acquired Assets have been released and terminated.

8.6 Obtaining of Financing. Bentley shall have completed an equity or debt financing on terms satisfactory to it pursuant to which it shall have obtained sufficient funds to pay the cash portion of the Consideration at the Closing.

8.7 Certificate of the Selling Entities and Certain Officers. Bentley shall have received a certificate, dated the Closing Date, executed by the President or any Vice President of Intergraph and, with respect to the Selling Entities, by the President or any Vice President of each such Selling Entity, to the effect that the conditions set forth in Sections 8.1, 8.2, 8.4 and 9.3 have been satisfied.

8.8 Absence of Material Adverse Change. Since the date of this Agreement, there shall have occurred no materially adverse change in the condition (financial or otherwise), assets (taken as a whole), liabilities (taken as a whole), properties (taken as a whole), business or prospects of the Acquired Assets.

8.9 Closing Deliveries. To the extent not otherwise included in the foregoing provisions of this Article VIII, Bentley shall have received the closing deliveries set forth in Section 2.3.

Article IX

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE SELLING ENTITIES

The obligations of each Selling Entity under this Agreement to sell the Acquired Assets shall be subject to the fulfillment of all of the following conditions at or before the Closing:

9.1 Representations and Warranties. Each of the representations and warranties made by Bentley set forth herein or in any Schedule, Exhibit, instrument or other document delivered to a Selling Entity pursuant to this Agreement shall be true and correct in all material respects as of the date hereof and on and as of the Closing Date, to the same extent and with the same effect as if made on and as of the Closing Date, except where such representation or warranty clearly relates to another date specified therein (in which case such representation shall relate to such specified date).

9.2 Performance by Bentley. Bentley shall have fully performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it on or before the Closing Date.

9.3 Prohibitions, Restrictions and Litigation. On the Closing Date, there shall be no proceeding or other litigation outstanding or pending by any other Person against any of the Selling Entities which prohibits or restricts, challenges or reasonably may be expected to give rise to a material challenge to consummation of the transactions contemplated by this Agreement or which claims (or reasonably may be expected to give rise to a claim of) damages as a result of the consummation of the transactions contemplated by this Agreement or otherwise have a material adverse effect on any of the Selling Entities subsequent to the Closing.

9.4 Consents. The waiting period under the HSR Act shall have expired or terminated. Bentley shall have received such material Consents from any Tribunal or other Person as may be necessary or appropriate to consummate the transaction contemplated by this Agreement without any conditions which Intergraph might reasonably consider to be material and adverse to any of the Selling Entities or its business and operations after the Closing. The Selling Entities shall have received the Consents referred to in Section 8.4.

9.5 Receipt of Consideration. Intergraph shall have received the Consideration.

9.6 Certificate of Bentley. Intergraph shall have received a certificate, dated the Closing Date, executed by the Chairman of the Board, President or any Vice President of Bentley, to the effect that the conditions set forth in Sections 8.3, 9.1, 9.2 and 9.4 have been satisfied.

9.7 Closing Deliveries. To the extent not otherwise included in the foregoing provisions of this Article IX, Intergraph shall have received the closing deliveries set forth in Section 2.4.

Article X

INDEMNIFICATION; OFFSET

10.1 Indemnification by Selling Entities. The Selling Entities, jointly and severally, agree to indemnify and hold harmless Bentley and its directors, officers, employees, advisors, Affiliates, agents, representatives, stockholders, successors and assigns (the "Bentley Indemnitees"), from and against any and all losses, damages, liabilities, claims, costs and expenses, including without limitation Legal Expenses (collectively, "Losses") arising out of, based upon or resulting from:

(a) any error, inaccuracy or misrepresentation in any of the representations and warranties made by any of the Selling Entities herein or in any certificate or other document or instrument furnished or to be furnished by any of the Selling Entities to Bentley in connection with this Agreement;

(b) any violation or breach of any covenant or obligation by any of the Selling Entities of, or default by any of the Selling Entities under, this Agreement or any certificate or other document or instrument furnished or to be furnished by any of the Selling Entities to Bentley in connection with this Agreement, or the consummation of the transactions contemplated hereby;

(c) any of the assets or liabilities of any of the Selling Entities not included in the Acquired Assets or Assumed Liabilities, respectively;

(d) any liability or obligation arising out of the termination of employment of an employee of any of the Selling Entities;

(e) any litigation, suits, actions or proceedings referred to on Schedule 3.11 attached to this Agreement;

(f) any third-party claim (i) that any of the Intellectual Property included in the Acquired Assets or licensed to Bentley pursuant to the Cross License Agreement infringes on such third party's intellectual property rights, including without limitation Unisys' GIF File Format Patent (Pat # 4,558,302) relating to the LZW Compression software, (ii) that challenges any of the Selling Entities' ownership of or other rights in any of the Intellectual Property, including, without limitation, any copyrights or trademarks, or (iii) that any patents, patent registrations or applications, trademark registrations or applications or copyright registrations or applications are invalid;

(g) any liability or obligation which relates to any noncompliance with any bulk sales law in connection with the transactions contemplated by this Agreement;

(h) any liability or obligation with respect to any income, franchise, sales, use or other Taxes (and Transactions Taxes, if any, to the extent provided in Section 11.12 hereof) and with respect to any social security contributions (including both employers' and employees'

contributions) of any of the Selling Entities which are attributable to periods ending prior to the Closing Date;

(i) the enforcement, or the attempted enforcement, of any Non-Compete Covenant against Bentley, any of its Affiliates or any of their employees, acting in his or her capacity as an employee of Bentley or an Affiliate of the same;

(j) the transfer to Bentley of the rights and obligations of any of the Selling Entities arising with respect to periods prior to the Closing Date from the employment relationships of any of the Selling Entities with the Transferred Employees existing immediately prior to the Closing Date, by virtue of applicable Legislative Enactments of any Tribunal to implement EEC Council Directive 77/187;

(k) the failure to transfer to Bentley the rights and obligations of any of the Selling Entities arising from the employment relationships of any of the Selling Entities with any of its employees existing immediately prior to the Closing Date, by virtue of applicable Legislative Enactments of any Tribunal to implement EEC Council Directive 77/187;

(l) any liability or obligation arising under an applicable Environmental Law relating to any of the Selling Entities or any of their Affiliates (whether or not such liability or obligation would constitute a breach of the representation and warranty set forth in Section 3.12 hereof) which has not been caused by Bentley or any of its Affiliates;

(m) any liability or obligation with respect to the payment of the applicable Consideration to Intergraph as agent and on behalf of a Selling Entity; or

(n) any matters described or required to be described on the Schedules pursuant to any provision of this Agreement, except for the Assumed Liabilities; or the failure of any of the Selling Entities or any ERISA affiliate to pay, perform or otherwise discharge, any liabilities relating to any Employee Pension Benefit Plans, Employee Welfare Benefit Plans, violation of law with respect thereto, contributions and agreements relating thereto, ERISA, COBRA or HIPAA or otherwise relating to benefits for any Selling Entity's employees of any pension, retirement, healthcare or other employee benefit plan maintained by Intergraph.

Notwithstanding the foregoing provisions of this Section 10.1, no Selling Entity shall have any obligation to indemnify, compensate, reimburse or pay any sum to the Bentley Indemnitees in respect of any Losses ("Bentley Losses") pursuant to Section 10.1(a) unless and until all Bentley Losses for which Bentley Indemnitees are entitled to receive indemnification under such Section 10.1(a) exceed, in the aggregate, $400,000 (it being understood and agreed that all such Bentley Losses shall accumulate until such time as they exceed $400,000, at which time the Selling Entities shall be obligated to indemnify any Bentley Indemnitee seeking indemnification under Section 10.1(a) for the aggregate amount of the Bentley Losses, rather than the amount that exceeds $400,000) or in excess of the aggregate amount of the Consideration; provided, however, that the above limitations shall not be applicable to any claims for Bentley Losses pursuant to Sections 10.1(b)-(n), Bentley Losses described in the immediately following paragraph or any Bentley Losses relating to adjustments to the Consideration in Bentley's favor

resulting from the audit referred to in Section 2.1(e). The parties further agree that the liability of the Selling Entities specified above with respect to the Bentley Losses shall be reduced to the extent of any insurance proceeds actually received by any of the Bentley Indemnitees for such Bentley Losses from the Selling Entities or any of its Affiliates or any insurance carrier of the Selling Entities or any of their Affiliates.

In addition to the above, the Selling Entities shall indemnify and hold harmless Bentley under this Section 10.1 for any Losses arising out of, based upon or resulting from breaches of those representations or warranties of the Selling Entities set forth in Sections 3.22, 3.23 and 3.24 that are qualified or limited by "knowledge" or similar limitations as if such representations or warranties were included in this Agreement without such qualifications or limitations.

10.2 Indemnification by Bentley. Bentley agrees to indemnify and hold harmless each of the Selling Entities and their respective directors, officers, employees, advisors, Affiliates, agents and representatives, stockholders, successors and assigns (the "Intergraph Indemnitees"), from and against any and all Losses arising out of, based upon or resulting from:

(a) any error, inaccuracy or misrepresentation in any of the representations and warranties made by Bentley herein or in any certificate or other document or instrument furnished or to be furnished by Bentley to any of the Selling Entities in connection with this Agreement;

(b) any violation or breach of any covenant or obligation by Bentley of, or default by Bentley under, this Agreement or any certificate or other document or instrument furnished or to be furnished by Bentley to any of the Selling Entities in connection with this Agreement, or the consummation of the transactions contemplated hereby;

(c) the failure of Bentley to pay, perform or discharge when due any of the Assumed Liabilities and any of its obligations with respect to Transaction Taxes, if any, to the extent provided for in Section 11.12 hereof;

(d) any and all claims resulting from Bentley's use of the Intergraph name and Service Marks;

(e) any condition, event or activity relating to the Acquired Assets that occurs on or after the Closing Date; and

(f) any use or exploitation by Bentley of the Intellectual Property in violation of the Intellectual Property assignments or the Cross-License Agreement.

Notwithstanding the foregoing provisions of this Section 10.2, Bentley shall not have any obligation to indemnify, compensate, reimburse or pay any sum to the Intergraph Indemnitees in respect of any Losses ("Intergraph Losses") pursuant to Section 10.2(a) unless and until all Intergraph Losses for which Intergraph Indemnitees are entitled to receive indemnification under such Section 10.2(a) exceed, in the aggregate, $400,000 (it being understood and agreed that all such Intergraph Losses shall accumulate until such time as they exceed $400,000, at which time

Bentley shall be obligated to indemnify any Intergraph Indemnitee seeking indemnification under Section 10.2(a) for the aggregate amount of the Intergraph Losses, rather than the amount that exceeds $400,000) or in excess of the aggregate amount of the Consideration; provided, however, that the above limitations shall not be applicable to any claim for Intergraph Losses pursuant to Sections 10.2(b)-(f) or any Intergraph Losses relating to adjustments to the Consideration in Intergraph's favor resulting from the audit referred to in Section 2.1(e). The parties further agree that the liability of Bentley specified above with respect to the Intergraph Losses shall be reduced to the extent of any insurance proceeds actually received by any of the Intergraph Indemnitees for such Intergraph Losses from Bentley or any of its Affiliates or any insurance carrier of Bentley or any of its Affiliates.

10.3 Satisfaction of Claims. If any Person entitled to indemnification under this Article X (an "Indemnified Party") desires to assert any claim for indemnification or to be held harmless under this Article X (a "Claim"), the Indemnified Party shall deliver to the Person that is obligated to provide such indemnification (the "Indemnifying Party") notice of its demand for satisfaction of such Claim (a "Request"), specifying in reasonable detail the amount of such Claim and, to the extent practicable under the circumstances, the basis for asserting such Claim. Within 30 days after the Indemnifying Party has been given a Request, the Indemnifying Party shall either (i) satisfy the Claim requested to be satisfied in such Request by delivering to the Indemnified Party payment by wire transfer or a certified or bank cashier's check payable to the Indemnified Party in immediately available Federal Reserve Funds in an amount equal to the amount of such Claim, or (ii) notify the Indemnified Party that the Indemnifying Party contests such Claim by delivering to the Indemnified Party an objection to such Claim, specifying in reasonable detail, to the extent practicable under the circumstances, the basis for contesting such Claim. If the Indemnifying Party fails to satisfy a Claim (or portion of a Claim) within 30 days after the Indemnifying Party has been given a Request with respect to such Claim, and whether or not the Indemnifying Party has contested such Claim, the Indemnifying Party shall pay the Indemnified Party asserting such Claim interest on the unpaid amount of such Claim (or unpaid portion of a Claim) at the Prime Rate, computed from the date such Request was given to the Indemnifying Party to the date such Claim (or portion of a Claim) is satisfied; provided, however, that the Indemnifying Party shall not be required to pay the Indemnified Party interest on that part of any unpaid Claim (or portion of a Claim) which the Indemnifying Party successfully contests.

10.4 Matters Which May Give Rise to Claims.

(a) Notice and Control. Within 20 days (or such earlier time as might be required to avoid prejudicing the Indemnifying Party's capacity to defend) after receipt by an Indemnified Party of notice of commencement of any action evidenced by service of process or other legal pleading which it determines has given or could give rise to a Claim (a "Third-Party Matter"), the Indemnified Party shall give the Indemnifying Party written notice thereof (together with a copy of such Claim, process or other legal pleading). The Indemnifying Party shall assume the defense of such Claim and in connection therewith:

(i) such Indemnifying Party shall defend such Third-Party Matter at its own expense, in good faith and in a manner consistent with the best interests of the Indemnified Party;

(ii) such Indemnifying Party shall keep the Indemnified Party fully informed as to the status of the defense of such Third-Party Matter;

(iii) such Indemnifying Party shall employ legal counsel, accountants and/or other experts reasonably satisfactory to the Indemnified Party to represent the Indemnified Party in connection with such Third-Party Matter;

(iv) the Indemnified Party shall have the right to observe and be present (at its own expense) at any and all meetings, conferences and other proceedings with respect to such Matter;

(v) the Indemnifying Party shall obtain the prior written approval of the Indemnified Party before entering into any settlement of such Third-Party Matter or ceasing to defend against such Third-Party Matter, if, pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief would be imposed against the Indemnified Party;

(vi) without the written consent of the Indemnified Party, the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving of a release from liability in respect of such Third-Party Matter to each Indemnified Party by the claimant or plaintiff; and

(vii) unless such Indemnifying Party is successful in defending such Third-Party Matter on the merits, any and all losses, damages, costs, and expenses which any Indemnified Party shall suffer or incur in connection with such Third-Party Matter shall be conclusively deemed to be losses, damages, costs and expenses as to which the Indemnified Party shall have the right to be indemnified and held harmless under this Article X.

Neither the observation or participation by any Indemnified Party in the defense of any Third-Party Matter, nor the failure by any Indemnified Party to observe or participate in the defense of any Third-Party Matter, shall affect in any way the liabilities and obligations of the Indemnifying Party with respect to such Third-Party Matter under this Article X.

If the Indemnifying Party does not assume the defense of such Third-Party Matter with legal counsel reasonably satisfactory to the Indemnified Party within 15 days after the Indemnifying Party has received notice of such Third-Party Matter from the Indemnified Party, the Indemnified Party shall have the right to undertake the defense, compromise and settlement of such Third-Party Matter on behalf of and for the account and risk of the Indemnifying Party.

(b) Expenses. If the Indemnified Party undertakes the defense, compromise and settlement of such Third-Party Matter pursuant to Section 10.4(a), the Indemnifying Party will promptly reimburse the Indemnified Party for all reasonable fees, costs and expenses (including but not limited to Legal Expenses) incurred by the Indemnified Party in respect of such Third-Party Matter. The reimbursement of such fees, costs and expenses shall be made by periodic payments during the course of any investigation or defense, as and when bills are received or expenses incurred.

(c) Cooperation. The Indemnified Party and the Indemnifying Party shall cooperate in the defense of a Third Party Matter that is defended in accordance with this Section 10.4, and shall make available to the defending person or its representative all records and materials required for its use in such defense.

10.5 Rights to Set-Off. Notwithstanding anything to the contrary in this Agreement, (a) Bentley shall have the right to set-off against the remaining unpaid Consideration (including, for such purposes, a reduction in the principal and interest due on the Note which shall be applied first to accrued and unpaid interest and then to unpaid principal) (i) any amounts then due but not paid by Intergraph as a result of any Bentley Losses which any Bentley Indemnitee has incurred and for which such Bentley Indemnitee is entitled to indemnification under this Article X or (ii) any payments due but not paid to Bentley under Section 7.2 in connection with the Maintenance Agreements, and (b) Intergraph shall have the right to set-off against the amounts due to Bentley under Section 7.2 (i) any amounts then due but not paid by Bentley as a result of any Intergraph Losses which any Intergraph Indemnitee has incurred and for which such Intergraph Indemnitee is entitled to indemnification under this Article X or (ii) at any time while there shall be any past due payment of principal or interest under the Note; any amount of principal or interest then or thereafter to become due under the Note, in whatever order Intergraph may in its discretion elect; provided, however, that Intergraph and Bentley agree and acknowledge that any amounts that the other sets off pursuant to its right under this Section 10.5 shall not be considered past due. The parties agree that no other offsets shall be permitted against the amounts payable by each to the other hereunder or under the Note.

Article XI

GENERAL

11.1 Survival of Representations and Agreements. All representations and warranties contained in this Agreement or in any certificate, document, affidavit or instrument delivered

pursuant to this Agreement shall survive the Closing and any investigation made at any time by or on behalf of any of the parties or any other Person and shall continue in full force and effect:

(a) forever and without any limit upon duration in the case of the representations and warranties set forth in Sections 3.3, 3.11, 3.12, 3.15, 3.19, 3.22, 3.23, 3.24 and 4.3;

(b) until 60 days following the latest date on which any statute of limitations (including any extensions thereof) expires with respect to any taxable year or period up to and including any taxable year or period ending on or which includes the Closing Date, in the case of the representation and warranty of the Selling Entities set forth in Section 3.10 hereof;

(c) in the case of a representation or warranty of the Selling Entities set forth in Sections 3.16 and 3.20 hereof, until 60 days following the expiration date of the statute of limitations underlying such representation or warranty; and

(d) until the expiration of the twenty-four (24) month period following the Closing Date in the case of all other representations and warranties.

11.2 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual consent in writing of Bentley and Intergraph;

(b) by Bentley or the Selling Entities, if the Closing has not occurred by December 31, 2000, provided that the failure to close is not a result of a breach of the party acting to terminate this Agreement;

(c) by Bentley, if any representation or warranty of Intergraph made in or pursuant to this Agreement is untrue or incorrect in any material respect, Intergraph materially breaches the convents or other terms of this Agreement or if any of the conditions precedent to Closing contained in Article VIII are not satisfied; or

(d) by Intergraph, if any representation or warranty of Bentley made in or pursuant to this Agreement is untrue or incorrect in any material respect, Bentley materially breaches the covenants or other terms of this Agreement or if any of the conditions precedent to Closing contained in Article IX are not satisfied.

A party terminating this Agreement pursuant to this Section 11.2 shall give written notice thereof to the other party hereto, whereupon this Agreement shall terminate and the transactions contemplated hereby shall be abandoned without any further action by any party; provided, however, that if such termination is by Bentley or Intergraph pursuant to Section 11.2(c) or (d), respectively, nothing herein shall effect the non-breaching party's right to damages on account of such other party's breach.

11.3 HSR Filings; Other Filings. Each of the Selling Entities and Bentley has filed with the Federal Trade Commission ("FTC") and the Antitrust Division of the United States

Department of Justice ("DOJ") a Notification and Report Form and related material required to be filed by it under the HSR Act with respect to the transactions contemplated hereby. The Selling Entities and Bentley shall cooperate and use reasonable efforts to prepare and file as promptly as practicable after the date hereof all requisite applications, notices and other necessary instruments or documents in order to obtain the approvals, Consents and other authorizations referred to in Sections 3.4 and 4.4 (including any additional documents and materials required by the FTC or DOJ) and agree to act with all reasonable diligence to obtain all such approvals and licenses.

11.4 Expenses of Transaction. Except as provided in Sections 2.2(b) and 2.2(d), each party shall be responsible for its own costs associated with the negotiation and consummation of the transactions contemplated hereby, including without limitation all legal, consulting and accounting expenses and any fees or commissions due any broker as a consequence of the consummation of such transactions. The filing fees paid to the FTC in connection with the filings pursuant to the HSR Act have been borne equally by Bentley and Intergraph. Each of the parties hereto is responsible for, and shall indemnify the other against, any claim by any third party to a fee, commission or other remuneration arising by reason of any services alleged to have been rendered to or at the insistence of said party with respect to this Agreement or any of the transactions contemplated hereby.

11.5 Public Disclosure. No party shall issue any press release or otherwise make any public statement with respect to the transactions contemplated hereby, except with the prior written consent of the other party; provided, however, that such consent shall not be required for any disclosure or reporting obligations of any party, to the extent required by applicable Legislative Enactments or other competent authority, but (to the maximum extent practicable under the circumstances) such disclosing party shall consult with the other party in advance.

11.6 Notices. Any notices or other communications required or permitted hereunder or under any other agreement contemplated hereunder shall be deemed given if sent by registered or certified mail (postage prepaid), overnight delivery via nationally recognized courier, or facsimile transmission (provided that in the case of courier or facsimile transmission, a copy is also sent by registered or certified mail, postage prepaid); in each case addressed as follows:

If to any of the Selling Entities, to:

Intergraph Corporation
One Madison Industrial Park
Huntsville, Alabama 35894-0001
Attention: John W. Wilhoite
Facsimile No.: (256) 730-2048

If to Bentley, to:

Bentley Systems, Incorporated
690 Pennsylvania Avenue

Exton, Pennsylvania 19341
Attention: David G. Nation, Senior Vice President and
General Counsel
Facsimile No.: (610) 458-3181

Each such Person may designate by notice to all other such Persons a new address for its receipt of notices and other communications. The return receipt for mail, the delivery receipt for such a courier or the answerback for facsimile transmission shall be conclusive evidence of such delivery.

11.7 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Bentley may not assign any right under this Agreement or delegate any obligations hereunder without the express prior written consent of Intergraph, except to one or more other Affiliates of Bentley; provided, however, that any such delegation of obligations hereunder to one or more Affiliates of Bentley shall not relieve Bentley of any of its obligations under this Agreement. No Selling Entity may assign any rights under this Agreement or delegate any obligations hereunder without the express prior written consent of Bentley, provided that, Bentley acknowledges that Foothill Capital Corporation, Intergraph's lender, has a lien on Intergraph's rights under this Agreement.

11.8 Amendments; Waivers, Etc. This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties to this Agreement. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term, but such waiver shall be effective only if it is in writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided in this Agreement, no delay or omission on the part of any party in exercising any right or privilege under this Agreement shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right or privilege under this Agreement operate as a waiver of any other right or privilege under this Agreement nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Agreement.

11.9 Governing Law. Notwithstanding the place where this Agreement may be executed by any of the parties hereto, the parties expressly agree that all the terms and provisions hereof shall be governed by, and interpreted and construed in accordance with, the substantive laws of the State of Delaware, without giving effect to principles relating to conflict of laws.

11.10 Consent to Jurisdiction. In relation to any legal action, suit or proceeding to which Bentley or any Selling Entity is a party arising out of or in connection with this Agreement or any of the transactions contemplated by this Agreement, Bentley and each of the Selling Entities hereby irrevocably, for itself and on behalf of their Affiliates, (a) submits to the non-exclusive jurisdiction of the courts of the United States of America for the District of Delaware and to any state court in the State of Delaware (such courts being herein referred to as the "Agreed Courts") solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to herein, and (b) waives and agrees not to assert, as a defense in any proceeding for the interpretation or enforcement hereof or of any document

referred to herein, that it is not subject to the jurisdiction of the Agreed Courts, or that such proceeding may not be brought or is not maintainable in the Agreed Courts, or that this Agreement or any of such documents may not be enforced in or by the Agreed Courts, or that its property is exempt or immune from execution, or that the proceeding is brought in any inconvenient forum or that the venue of the proceeding is improper. Such submission to jurisdiction shall not affect any right of Bentley or any Selling Entity to commence proceedings in any other jurisdiction, and the commencement of proceedings in any jurisdiction shall not preclude Bentley or any Selling Entity from commencing proceedings in any other jurisdiction. Service of any and all process that may be served on any party hereto in any proceeding arising out of this Agreement may be made in the manner and to the addresses set forth in Section 11.6 and service thus made shall be taken and held to be valid personal service upon such party by any party hereto on whose behalf such service is made. Nothing shall affect the right to serve any process in any other manner permitted by law.

11.11 Specific Performance. In addition to any other remedy to which any party may be entitled, the parties agree that temporary and permanent injunctive relief and specific performance (which specific performance may take the form of delivery of any assets which may inadvertently have been omitted from a Schedule hereto) may be granted, to the extent permitted under applicable law, without proof of actual damages or inadequacy of legal remedy in any proceeding that may be brought to enforce any of the provisions of this Agreement.

11.12 Tax Matters.

(a) Tax Reporting for 2000. The Selling Entities will (i) prepare and timely file with each applicable tax or revenue service, taxing authority, or taxing tribunal (where the Acquired Assets are subject to Tax) Tax Returns which include all income, gains, losses, deductions and credits attributable to the Acquired Assets for the period or periods up to but not including the Closing Date and (ii) make timely payments of, and indemnify and hold Bentley harmless from and against, all Taxes required to be reflected on such Tax Returns. Bentley will (A) prepare and timely file with each applicable tax or revenue service, taxing authority, or taxing tribunal (where the Acquired Assets are subject to Tax) Tax Returns which include all income, gains, losses, deductions and credits attributable to the Acquired Assets for the period on or after the Closing Date and (B) make timely payments of, and indemnify and hold the Selling Entities harmless from and against, all Taxes required to be reflected on such Tax Returns.

(b) Transaction Taxes.

(i) Liability, Indemnification and Payment. (A) If, contrary to the considered judgment of the parties as set forth in Section 11.12(b)(ii) below, any sales and use taxes are imposed by any taxing authority, tax or revenue service, or tax tribunal within the State of Alabama (the "Alabama Sales and Use Taxes"), the party upon which such Alabama Sales and Use Taxes are legally imposed shall pay such sales and use taxes and any related interest, penalty, etc. to the applicable taxing authority and the other party

shall promptly pay to, indemnify and hold the paying party harmless from and against 50% of such Alabama Sales and Use Taxes and any related interest, penalty, etc. (B) similarly, the parties shall each indemnify one another against 50% of all other Transaction Taxes ("Other Transaction Taxes"). (C) In every case where a payment of Transaction Taxes is required to be made directly by the indemnitee to the relevant taxing authority, (i) the indemnifying party shall pay to the indemnitee the amount of such Transaction Taxes which are required to be paid by the indemnitee within thirty (30) days of the date that the indemnitee furnishes the indemnifying party with written notice and documentation proving that such Transaction Taxes are due and payable by the indemnitee to the applicable taxing authority and (ii) such amount shall bear interest at the Prime Rate if not paid within such thirty (30) day period. In this regard, Transaction Taxes shall not be deemed to be due and payable by the indemnitee during any period in which such Transaction Taxes may legally be contested without advance payment, unless the indemnifying party requests the indemnitee to make payment of such Transaction Taxes.

(ii) Planning and Cooperation. Each of the Selling Entities and Bentley (A) believe, based on their separate and independent research, that each of the transfers provided for in this Agreement are transfers of a business as a going concern, if and to the extent allowable under applicable Legislative Enactments with respect to value added taxes ("VAT"), (B) believe, based on their separate and independent research, that each of the transfers provided for in this Agreement qualify as transfers that are exempt from Alabama Sales and Use Taxes, based on the casual sale and other allowable exemptions, and (C) shall act in a manner consistent with the foregoing. In the event that there is any assertion or determination that VAT, Alabama Sales and Use Tax, or Other Transaction Tax applies or may apply in connection with any transactions under this Agreement, or in connection with any transactions under this Agreement as to which any type of Other Transaction Tax does or may apply, Bentley and the applicable Selling Entities shall, in consultation and cooperation with each other and on a timely basis and commercially reasonable basis, give such notices, make such filings and requests, adopt such reporting positions, provide such information, and appear before such tax or revenue service, taxing authority, or taxing tribunal as are required, desirable, or reasonably requested by the other party, in an effort to maintain that such transfers are exempt or otherwise outside the scope of VAT, the Alabama Sales and Use Tax, or Other Transaction Taxes (as the case may be), in order to obtain or perfect an exemption of such transactions from VAT, the Alabama Sales and Use Tax, or Other Transaction Taxes (as the case may be), in order to obtain a reduction in rates for VAT applicable to such transactions, or in order to obtain a recovery of any VAT, Alabama Sales and Use Tax, or Other Transaction Tax (as the case may be) paid with respect to such transactions. Notwithstanding anything in this Section 11.12(b)(ii) to the contrary, however, no party (the "first party") shall be required to take any action requested by the other party (the "requesting party") which results or could reasonably result in an increase in the amount of Taxes or Transaction Taxes imposed upon the first party or its Affiliates, unless the requesting party agree to indemnify the first party and its Affiliates for the amount of any

such increase in Taxes or Transaction Taxes. Further, no party will be required to take any action requested by the other party that is not based on accepted tax practice and the legal requirements regarding the Transaction Tax involved.

(iii) Audits, Litigation, and other Contests. (A) Each party shall promptly provide the other party with written notice of any claim, or of the commencement of any audit or proceeding, together with copies of all correspondence, notices or other documents relating thereto, which may result in increased Transaction Taxes. (B) In the case of Alabama Sales and Use Taxes, both the Selling Entities and Bentley shall jointly control the contest of such sales and use taxes, both the Selling Entities and Bentley shall keep each other fully informed of all proceedings relating to Alabama Sales and Use Taxes, both the Selling Entities and Bentley shall take such steps as are reasonably requested by the other party in order to allow such other party to participate in any contest of such Alabama Sales and Use Taxes, and neither the Selling Entities nor Bentley shall be permitted to settle or compromise the dispute of Alabama Sales and Use Taxes without the written consent of the other party. However, either party can pay its 50% share of any disputed Alabama Sales and Use Taxes (and any related interest, penalties, etc.) at any time by notifying and paying to the other party such 50% share of disputed Alabama Sales and Use Taxes and any related interest, penalties, etc. that have accrued through such date of payment. In cases where a party (the "surrendering party") pays its 50% share of disputed Alabama Sales and Use Taxes in accordance with the preceding sentence, the surrendering party shall provide the other party (the "continuing party") with powers of attorney or other appropriate documents which will enable the continuing party to fully control and continue the dispute, shall not take any actions or disclose any information that would adversely affect the continuing party's conduct or resolution of the dispute, and shall be released of any further liability with respect to, and shall not share in any favorable resolution of, the disputed Alabama Sales and Use Taxes. (C) Similar contest provisions shall apply in the case of Other Transaction Taxes.

(iv) Record Retention. Each party will retain all Tax Returns, schedules, material records, workpapers or other documents relating to Transaction Taxes until the expiration of the statute of limitations (including extensions) for assessing or collecting such Transactions Taxes. Before any tax records or documents are destroyed, the party holding such records shall notify the other party of its intent to destroy them and shall offer any such records to the other party. If the other party wishes to receive such records, it shall notify the party holding the records or documents within 45 days of receipt of notice of the other party's intent to destroy, and will be liable for any costs related to the transfer of such records.

11.13 Knowledge. All references in this Agreement to a party's knowledge respecting a particular matter shall conclusively be deemed and presumed to include, without limitation, all

facts, circumstances and conditions known to such party, its directors and officers after reasonable due inquiry (except as otherwise specifically noted herein) regarding such matter; provided, however, that in the case of the Selling Entities, the only officers that will be deemed and presumed to have knowledge of a given matter will be James Taylor, John W. Wilhoite, Dennis Sanders, Larry T. Miles, David Vance Lucas and all Presidents or other chief operating officers of the vertical business units responsible for the development, design or sale of the Civil, Plotting or Raster products.

11.14 Waiver of Bulk Sales Compliance. The parties hereby waive compliance with the bulk transfer or bulk sales provisions of the applicable state Uniform Commercial Code provisions or any other Legislative Enactment; provided, however, that such waiver shall not constitute a limitation of the rights of Bentley under Article X.

11.15 Waivers of Deliveries or Conditions Precedent. Notwithstanding any provision to the contrary in this Agreement or in any certificate, document or instrument delivered pursuant to this Agreement, any express or implied waiver by Bentley or the Selling Entities of the requirement of the other to deliver any item or Consent to be delivered at the Closing or to satisfy any conditions precedent shall not abrogate, diminish or otherwise affect any rights of the waiving party under this Agreement, including without limitation those rights set forth in Section 11.2.

11.16 Number and Gender. Unless the context otherwise requires, the singular and plural forms in this Agreement shall be mutually inclusive, and the masculine, feminine and neuter forms in this Agreement shall be mutually inclusive.

11.17 Section Headings, Schedules, Etc. The cover page and table of contents preceding this Agreement and the headings of the various sections of this Agreement and the Schedules hereof and Exhibits hereto are for convenience of reference only and do not, and shall not be deemed to, modify, define, expand or limit any of the terms or provisions hereof. Any item referenced in a Schedule hereto is deemed to be disclosed only with respect to the specific Section number of this Agreement which is explicitly referenced in the Schedule. The absence of any Schedule hereto, the purpose of which is set forth exceptions or other qualifications to the representations and warranties hereunder, shall be deemed to state that no such exceptions or qualifications exist.

11.18 Complete Agreement; Counterparts. This document and the documents (including Exhibits and Schedules) referred to herein, contain the complete agreement and understanding of the parties hereto and thereto with respect to the matters covered hereby and thereby, and they rescind and supersede any prior agreements and understandings which may have in any way related to the subject matter hereof and thereof. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. This Agreement may be executed by the parties hereto in several counterparts, and, when so executed and delivered, shall be an original as against any party whose signature appears thereon, but all such counterparts shall together constitute but one and the same instrument.

11.19 Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance, shall be declared judicially to be invalid, unenforceable or void, such decision shall not have the effect of invalidating or voiding the remainder of this Agreement, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substituting therefor another provision that is legal and enforceable and that achieves the same objective.

11.20 No Third Party Beneficiaries. Nothing in this Agreement is intended or shall be construed to give any Person, other than the parties hereto, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be duly executed by their respective duly authorized officers or representatives, all as of the day and year first above written.

SELLING ENTITIES:

INTERGRAPH CORPORATION

By: /s/ John W. Wilhoite

Name: John W. Wilhoite
Title: Vice President

Intergraph (UK), Ltd.
Intergraph (Deutschland) GmbH
Intergraph (Switzerland) A.G.
Intergraph GmbH (Osterreich)
Intergraph (France) S.A.
Intergraph (Sverige) AB
Intergraph CAD/CAM (Danmark) A/S
Intergraph Norge A/S
Intergraph Finland Oy
Intergraph Europe (Polska) Sp. z o.o.
Intergraph CR spol. s r.o.
Intergraph Espana, S.A.
Intergraph (Portugal) Sistemas de Computacao
Grafica, S.A.
Intergraph (Italia), L.L.C.
Intergraph (Hellas) S.A.
Intergraph Benelux B.V.
Intergraph Benelux B.V. (Belgian Branch)
Intergraph Corporation Pty. Ltd.
Intergraph Corporation (N.Z.) Limited
Intergraph Corporation Taiwan
Intergraph Industry Solutions Japan K.K.
Intergraph Korea, Ltd
Intergraph Hong Kong Limited
Intergraph China Limited
Intergraph Canada Ltd.
Intergraph (Middle East) L.L.C. (Dubai (UAE)
registered branch of a Delaware LLC)
Intergraph de Mexico, S.A. de C.V.
Intergraph Servicios de Venezuela C.A.

BY: /s/ John W. Wilhoite

Name: John W. Wilhoite, as attorney in fact

BENTLEY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ Gregory S. Bentley

Name: Gregory S. Bentley
Title: Chief Executive Officer and President

BSI NETHERLANDS:

BENTLEY SYSTEMS EUROPE BV

By: /s/ Gregory S. Bentley

Name: Gregory S. Bentley
Title: President

EXHIBIT 2.2

AMENDMENT NO. 1
TO
ASSET PURCHASE AGREEMENT

This Amendment No. 1 to Asset Purchase Agreement is entered into as of December 7, 2001 (the "Effective Date") between Bentley Systems, Incorporated, a Delaware corporation, as representative for itself and each of its direct and indirect majority owned subsidiaries (collectively referred to herein as "Bentley"), and Intergraph Corporation, a Delaware corporation, as representative for itself and each of its direct and indirect majority owned subsidiaries (collectively referred to herein as "Intergraph").

BACKGROUND

Bentley and Intergraph entered into that certain Asset Purchase Agreement dated December 26, 2000 (the "APA"), pursuant to which Intergraph sold, and Bentley purchased, the Acquired Assets (as defined in the APA).

Intergraph's FrameWorks product was mistakenly included as one of the Acquired Assets in the APA.

Bentley and Intergraph desire to amend the APA in order to delete all references therein to FrameWorks as an Acquired Asset.

AGREEMENT

In consideration of the mutual covenants and promises contained herein, Bentley and Intergraph do hereby agree as follows:

1. Both parties hereto hereby agree that:

   (a) notwithstanding the appearance of the FrameWork product on any of the APA's schedules, exhibits, or other documents related thereto, FrameWorks is not one of the Acquired Assets; therefore no right, title, or interest in and to the FrameWorks product was granted, transferred, assigned, conveyed or delivered to Bentley pursuant to the APA; and

   (b) as between Bentley and Intergraph, Intergraph is the sole owner of all right, title and interest (including, without limitation, all applicable patents, copyrights, and trademarks) in and to the product FrameWorks.

2. This Amendment shall be effective as of the Effective Date.

Bentley and Intergraph, intending to be legally bound hereby, have executed this Amendment as of the date first written above.

BENTLEY SYSTEMS INCORPORATED	INTERGRAPH CORPORATION
By: /s/ David Nation	By: /s/ James F. Taylor
David Nation	James F. Taylor
Its: Senior Vice President of Corporate Affairs and General Counsel	Its: President

EXHIBIT 2.3

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

BENTLEY SYSTEMS, INCORPORATED,

GP ACQUISITION SUB, INC.,

GEOPAK CORPORATION

AND

THE GEOPAK STOCKHOLDERS

LISTED ON THE SIGNATURE PAGE HERETO

Dated as of September 18, 2001

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

Exhibits

Exhibit 1	DGCL Certificate of Merger
Exhibit 2	FBCA Articles of Merger
Exhibit 3	Opinion of Company's Counsel
Exhibit 4	Opinion of Bentley's Counsel

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER ("AGREEMENT") is made as of the 18th day of September, 2001, by and among BENTLEY SYSTEMS, INCORPORATED, a Delaware corporation ("BENTLEY"), GP ACQUISITION SUB, INC., a Delaware corporation ("MERGER SUB"), GEOPAK CORPORATION, a Florida corporation (the "COMPANY"), and the stockholders of the Company (the "STOCKHOLDERS") listed on the signature page hereto. Bentley, Merger Sub, the Company and the Stockholders are collectively referred to herein as the "PARTIES."

RECITALS:

A. The Boards of Directors of each of the Company, Bentley and Merger Sub believe it is in the best interests of each company and their respective stockholders that Bentley acquire the Company through the statutory merger of the Company with and into Merger Sub (the "MERGER") and, in furtherance thereof, have approved the Merger.

B. Pursuant to the Merger, among other things, and subject to the terms and conditions of this Agreement, (i) all outstanding shares of common stock of the Company ("COMPANY COMMON STOCK") other than Company Common Stock owned by Bentley shall be converted into the right to receive the Merger Consideration and (ii) all outstanding options and other rights to acquire or receive shares of Company Common Stock shall be assumed and become outstanding options and other rights to acquire or receive shares of Class B Common Stock of Bentley ("BENTLEY CLASS B COMMON STOCK").

C. The Parties intend that the Merger qualify as a reorganization pursuant to Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "CODE").

NOW, THEREFORE, in consideration of the premises and mutual promises herein made, and in consideration of the representations, warranties, covenants and agreements herein contained and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Certain Definitions. The following terms shall, when used in this Agreement, have the following meanings:

"AFFILIATE" means, with respect to any Person: (i) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, 50% or more of the stock having ordinary voting power in the election of directors of such Person; and (ii) any officer, director or partner of such other Person. "Control" for the foregoing purposes shall mean the possession, directly or indirectly, of the power to direct or cause the

direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract or otherwise.

"ASSETS" mean all properties, assets, privileges, powers, rights, interests and claims of every type and description that are owned, leased, held, used or useful in the Company's business and in which the Company has any right, title or interest or in which the Company acquires any right, title or interest on or before the Closing Date, wherever located, whether known or unknown, and whether or not now or on the Closing Date on the Books and Records.

"BOOKS AND RECORDS" mean all of the Company's books and records, including purchase and sale order files, invoices, sales materials and records, customer lists, mailing lists, marketing information, personnel records and files, technical data and records, all correspondence with and documents pertaining to suppliers, Governmental Authorities and other third parties, all records evidencing accounts receivable and schedules of accounts receivable aging, all other financial records and all books and records relating to the Company's formation and capitalization, including corporate seals, minute books and stock books.

"BUSINESS DAY" means any day other than Saturday, Sunday or a day on which banking institutions in Philadelphia, Pennsylvania are required or authorized to be closed.

"COLLATERAL DOCUMENTS" mean the Exhibits and disclosure schedules to this Agreement and any other agreements, documents, instruments and certificates to be executed and delivered by the Parties at Closing pursuant to this Agreement.

"ENCUMBRANCE" means any mortgage, pledge, lien, encumbrance, charge, security interest, security agreement, conditional sale or other title retention agreement, option, assessment, restrictive agreement, adverse interest, restriction on transfer or any exception to or defect in title or other ownership interest (including restrictive covenants, leases and licenses), but excluding encumbrances for current taxes not delinquent or being contested in good faith.

"ENVIRONMENTAL LAWS" means all foreign, federal, provincial, state and local laws, regulations, codes, rules and ordinances relating to pollution or protection of human health, safety or the environment, including, without limitation, laws relating to releases or threatened releases of Hazardous Substances into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, release, transport or handling of Hazardous Substances, and all laws and regulations with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"GOVERNMENTAL AUTHORITY" means: (i) the United States of America; (ii) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities and the like); (iii) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof; or (iv) any agency, authority or instrumentality of any of the foregoing, including any court, tribunal, department, bureau, commission or board.

"HAZARDOUS SUBSTANCES" means any toxic, radioactive, caustic, or other hazardous substance or waste, including, petroleum, its derivatives, byproducts, and other hydrocarbons, pollutants, contaminants, or any other substance defined as such by, or regulated as such under, any Environmental Law.

"INTELLECTUAL PROPERTY" means and include all rights, title, and interests in the following items: (a) domestic and foreign patents (including, without limitation, certificates of invention, utility models and other patent equivalents), and all provisional applications, patent applications, and patents issuing therefrom, as well as any division, continuation, continuation in part, reissue, extension, re-examination certification, revival or renewal of any patent, all inventions and subject matter relating to such patents, in any and all forms, and all patents and applications for patents relating to such patents, (b) domestic and foreign trademarks, trade dress, service marks, trade names, icons, logos and slogans and any other indicia of source or sponsorship of goods and services, designs and logotypes related thereto, and all trademark registrations and applications for registration related to such trademarks (including, but not limited to intent to use applications), (c) copyrightable works and copyright interests in any of the Assets, including, without limitation, all common-law rights, all registered copyrights and all rights to register and obtain renewals and extensions of copyright registration, together with all copyright interests accruing by reason of international copyright conventions, (d) Inventions, (e) Software and other works of authorship, (f) trade secrets, (g) know-how, (h) all rights necessary to prevent claims of invasion of privacy, rights of publicity, defamation, or any other causes of action arising out of the use, adaptation, modification, reproduction, distribution, sales or display of the Software, (i) all income, royalties, damages and payments accrued after the Closing with respect to the Software and all other rights thereunder, (j) all rights to use all of the foregoing forever or for the applicable term of each right, (k) all processes, designs, formulas, semiconductor mask works, industrial models, engineering and technical drawings, prototypes, improvements, discoveries, technology, data and other intellectual or intangible property and/or proprietary rights or interests of the Company (and all goodwill associated therewith), and (l) all rights to sue for past, present or future infringement, misappropriation or other violations or impairments of any of the foregoing enumerated in subclauses (a) through (k) above, and to collect and retain all damages and profits therefor.

"INVENTIONS" means all novel devices, processes, compositions of matter, methods, techniques, observations, discoveries, apparatuses, designs, expressions, theories and

ideas (including improvements and modifications thereof through the date hereof) relating to the Assets, whether or not patentable.

"LEGAL REQUIREMENT" means any statute, ordinance, law, rule, regulation, code, plan, injunction, judgment, order, decree, writ, ruling, charge or other requirement, standard or procedure enacted, adopted or applied by any Governmental Authority.

"LETTER OF INTENT" means that certain Letter of Intent dated June 5, 2001 by and among Bentley, the Company and the Stockholders.

"LIABILITY" means any liability or obligation of the Company (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"MATERIAL ADVERSE EFFECT" means a material adverse effect on the business, earnings, properties, condition, Assets or prospects of the Company.

"OPTION AGREEMENT" means the Option Agreement, by and among Bentley, the Company and the holders of Common Stock of the Company listed on Schedule 5.2(a) therein, dated December 18, 1996.

"PERSON" means any natural person, corporation, partnership, trust, unincorporated organization, association, limited liability company, Governmental Authority or other entity.

"REPRESENTATIVE" means any director, officer, employee, agent, consultant, adviser or other representative of a Person, including legal counsel, accountants and financial advisors.

"SECURITIES ACT" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"SECURITIES PURCHASE AGREEMENT" means the Securities Purchase Agreement, by and among Bentley, the Purchasers identified therein and, for certain limited purposes, Raymond B. Bentley and Richard P. Bentley, dated as of December 26, 2000, as amended by the Amendment to Securities Purchase Agreement, by and among Bentley and the Purchasers identified therein, dated as of July 2, 2001, and as further amended by the Joinder and Amendment to Securities Purchase Agreement, by and among the Stockholders and the Company, dated the date hereof.

"SHAREHOLDERS' AGREEMENT" means the Shareholders' Agreement, by and among the Company, Bentley and the other shareholders of the Company listed on Exhibit A thereto, dated as of December 18, 1996.

"SOFTWARE" means the expression of an organized set of instructions in a natural or coded language, including without limitation, compilations and sequences, which is contained on a physical media of any nature (e.g., written, electronic, magnetic, optical or otherwise) and which may be used with a computer or other automated data processing equipment device of any nature which is based on digital technology, to make such computer or other device operate in a particular manner and for a certain purpose, as well as any related documentation for such set of instructions. The term shall include, without limitation, computer programs in source and object code, test or other significant data libraries, documentation for computer programs, modifications, enhancements, revisions or versions of or to any of the foregoing and prior releases of any of the foregoing applicable to any operating environment, and any of the following which is contained on a physical media of any nature and which is used in the design, development, modification, enhancement, testing, installation, use, maintenance, diagnosis or assurance of the performance of a computer program: narrative descriptions, notes, specifications, designs, flowcharts, parameter descriptions, logic flow diagrams, masks, input and output formats, file layouts, database formats, test programs, test or other data, user guides, manuals, installation and operating instructions, diagnostic and maintenance instructions, source code, object code and other similar materials and information.

"TERRITORY" means the United States, Canada, the United Kingdom, Australia, New Zealand and their territories and possessions.

1.2 Other Definitions. The following terms shall, when used in this Agreement, have the meanings assigned to such terms in the Sections indicated.

Term	Section
"AGREEMENT"	Preamble
"BENTLEY"	Preamble
"BENTLEY BOARD APPROVALS"	7.1(c)
"BENTLEY CLASS B COMMON STOCK"	Recitals
"BENTLEY ENTITIES"	8.3(a)
"BENTLEY INDEMNIFIED PARTIES"	9.2
"BENTLEY SECURITIES"	2.6(a)
"CLOSING"	2.10
"CLOSING DATE"	2.10
"CODE"	Recitals
"COMPANY"	Preamble
"COMPANY BOARD APPROVAL"	6.1(e)
"COMPANY COMMON STOCK"	Recitals
"CONTRACTS"	4.14(a)
"CORPORATE GOVERNANCE OBLIGATIONS"	4.14(c)
"DAMAGES"	9.2
"DGCL"	2.1
"DGCL CERTIFICATE OF MERGER"	2.5
"EFFECTIVE TIME"	2.5
"EMPLOYMENT AGREEMENTS"	6.1(a)

"FBCA"	2.1
"FBCA ARTICLES OF MERGER"	2.5
"FINANCIAL STATEMENTS"	3.9
"INDEMNIFIED PARTY"	9.5(a)
"INDEMNIFYING PARTY"	9.5(a)
"INFORMATION STATEMENT"	4.5(h)
"INTERIM STATEMENTS"	4.9
"JOINDER TO THE REGISTRATION RIGHTS AGREEMENT"	6.1(c)
"JOINDER TO THE SECURITIES PURCHASE AGREEMENT"	6.1(b)
"MERGER"	Recitals
"MERGER CONSIDERATION"	2.6
"MERGER SUB"	Preamble
"NON-COMPETITION COVENANTS"	8.3(a)
"PARTIES"	Preamble
"PENSION PLAN"	4.18(a)
"PLANS"	4.18(b)
"PRE-CLOSING PERIODS"	8.2(a)
"PROFESSIONAL FEES"	10.2
"RELATED PERSONS"	9.6
"RELEASEE"	9.6
"RELEASEES"	9.6
"RETURNS"	4.16(b)
"REVIEWED STATEMENTS"	4.9
"RULE 144"	4.5(e)
"STOCKHOLDERS"	Preamble
"STOCKHOLDER INDEMNIFIED PARTIES"	9.3
"STOCKHOLDERS' REPRESENTATIVE"	9.4
"SURVIVING CORPORATION"	2.1
"TAXES"	4.16(a)
"THIRD PARRY CLAIM"	9.5(a)
"WARRANTS"	6.1(d)

ARTICLE 2

BASIC TRANSACTION

2.1 Merger; Surviving Corporation. In accordance with the provisions of this Agreement, the General Corporation Law of the State of Delaware ("DGCL") and the Business Corporation Act of the State of Florida ("FBCA"), at the Effective Time the Company shall be merged with and into Merger Sub, and Merger Sub shall be the surviving corporation in the Merger (hereinafter sometimes called the "SURVIVING CORPORATION") and shall continue its corporate existence under the laws of the State of Delaware. At the Effective Time, the separate existence of the Company shall cease. All properties, franchises and rights belonging to the

Company and Merger Sub, by virtue of the Merger and without further act or deed, shall be deemed to be vested in the Surviving Corporation, which shall thenceforth be responsible for all the liabilities and obligations of each of Merger Sub and the Company.

2.2 Certificate of Incorporation. At the Effective Time, Article 1 of the Certificate of Incorporation of Merger Sub, as in effect immediately prior to the Effective Time, shall be amended to read in its entirety as follows:

"1. Name: The name of the corporation shall be Geopak Corporation."

Except for such amendment, the Certificate of Incorporation of Merger Sub as in effect immediately prior to the Effective Time shall thereafter continue in full force and effect as the Certificate of Incorporation of the Surviving Corporation until altered or amended as provided therein or by applicable law.

2.3 By-laws. Merger Sub's By-laws as in effect immediately prior to the Effective Time shall be the By-laws of the Surviving Corporation until altered, amended or repealed as provided therein or by applicable law.

2.4 Directors and Officers. The directors of Merger Sub immediately prior to the Effective Time shall serve as directors of the Surviving Corporation following the Effective Time in accordance with the Certificate of Incorporation and By-laws of the Surviving Corporation and the DGCL. The officers of the Company immediately prior to the Effective Time shall serve in such capacities at the pleasure of the Board of Directors of the Surviving Corporation following the Effective Time in accordance with the Certificate of Incorporation and By-Laws of the Surviving Corporation and the DGCL.

2.5 Effective Time. The Merger shall become effective at the time and date that the last of the following two events has occurred: (i) the acceptance for filing of a certificate of merger (the "DGCL CERTIFICATE OF MERGER"), in the form attached hereto as Exhibit 1, by the Secretary of State of the State of Delaware in accordance with the provisions of Section 252 of the DGCL; and (ii) the acceptance for filing of articles of merger (the "FBCA ARTICLES OF MERGER"), in the form attached hereto as Exhibit 2, by the Secretary of State of the State of Florida, in accordance with Section 607.1109 of the FBCA. The DGCL Certificate of Merger and the FBCA Articles of Merger shall be executed by Merger Sub and/or the Company, as applicable, and delivered to the Secretary of State of the State of Delaware and the Secretary of State of the State of Florida, respectively, for filing, as stated above, on the Closing Date. The date and time when the Merger shall become effective are referred to herein as the "Effective Time."

2.6 Conversion of Securities.

(a) At the Effective Time, all of the issued and outstanding shares of Company Common Stock other than Company Common Stock owned by Bentley shall be converted into the right to receive following (the "MERGER CONSIDERATION"):

(i) cash in an amount equal to $8,000,000;

(ii) 35,000 shares of Bentley's Class C Senior Common Stock to be issued in accordance with the Joinder to the Securities Purchase Agreement;

(iii) 480,000 shares of Bentley's Class D Non-Voting Common Stock; and

(iv) warrants to purchase 485,333 shares of Bentley's Class B Non-Voting Common Stock to be issued in accordance with the Joinder to the Securities Purchase Agreement.

The shares of capital stock and the warrants to purchase shares of capital stock to be issued and sold by Bentley at the Effective Time pursuant to this Section 2.6(a) collectively are referred to as the "BENTLEY SECURITIES."

(b) At the Effective Time, all of the outstanding shares of Company Common Stock owned by Bentley shall be cancelled.

(c) At the Effective Time, each of the then outstanding options held by Company employees to purchase Company Common Stock shall by virtue of the Merger and at the Effective Time, and without any further action on the part of any holder thereof, be assumed by Bentley and converted into an option to purchase, under Bentley's 1997 Stock Option Plan, that number of shares of Bentley Class B Common Stock determined by multiplying the number of shares of Company Common Stock subject to such option at the Effective Time by 1.4667, at an exercise price per share equal to the exercise price per share of such option immediately prior to the Effective Time divided by 1.4667. If the foregoing calculation results in an option being exercisable for a fraction of a share of Bentley Class B Common Stock, then the number of shares of Bentley Class B Common Stock subject to such option shall be rounded up to the nearest whole number of shares. The term, exercisability, vesting schedule, status as an "Incentive Stock Option" under Section 422 of the Code, if applicable, and all other terms and conditions of stock options issued pursuant to this Section 2.6(c) will to the extent permitted by law and otherwise reasonably practicable remain unchanged. Continuous employment with the Company shall be credited to the optionees for purposes of determining the vesting of the number of shares of Bentley Class B Common Stock subject to exercise under the optionees' converted stock options after the Effective Time, and all optionees who have fully vested options to purchase shares of capital stock of Geopak immediately prior to the Effective Time will receive fully vested options to purchase shares of Bentley Class B Common Stock in accordance with the conversion ratio set forth above.

2.7 Exchange of Certificates. At the Closing, immediately after the Effective Time of the Merger, all of the Stockholders shall surrender to the Surviving Corporation all of the outstanding certificates theretofore representing shares of Company Common Stock in exchange for the Merger Consideration payable to the Stockholders at Closing. Until such certificates are surrendered, outstanding certificates formerly representing shares of Company Common Stock shall be deemed for all purposes as evidencing the right to receive the Merger Consideration into

which such shares have been converted as though said surrender and exchange had taken place. In no event will a holder of shares of Company Common Stock be entitled to interest on the Merger Consideration issuable in respect of such shares.

2.8 Restricted Securities.

(a) The Bentley Securities to be issued pursuant to this Agreement and the Securities Purchase Agreement have not been, and, except as contemplated by the Registration Rights Agreement, will not be, registered under the Securities Act, and will be issued in a transaction that is exempt from the registration requirements of the Securities Act. Until such Bentley Securities are registered and sold under the Securities Act, they will be "restricted securities" under the federal securities laws and cannot be offered or resold except pursuant to registration under the Securities Act or an available exemption from registration.

(b) All certificates representing such Bentley Securities shall bear, in addition to any other legends required under applicable securities laws, the following legend and such other legends as are required by the Transaction Documents:

The shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be transferred except pursuant to registration under the Securities Act or pursuant to an available exemption from registration.

2.9 Allocation of Consideration. The Merger Consideration shall be allocated among the Stockholders in proportion to the number of shares of Company Common Stock owned by each such Stockholder at the Effective Time; provided, however, that no fraction of a share of any Bentley Securities will be issued.

2.10 Closing. The closing of the transactions contemplated by this Agreement ("CLOSING") shall take place at the offices of Drinker Biddle & Reath LLP, Eighteenth and Cherry Streets, Philadelphia, Pennsylvania 19103, or at such other location as the parties may agree, on September 18, 2001, or on such other date that the Parties may agree. The date on which the Closing actually occurs is referred to herein as the "CLOSING DATE."

2.11 Transactions at Closing. At the Closing:

(a) The Stockholders shall surrender certificates representing Company Common Stock pursuant to Section 2.7, and the Company and the Stockholders shall deliver to Bentley and the Surviving Corporation such documents, instruments and certificates as are required by this Agreement to be delivered by them.

(b) Bentley shall deliver to the Company and Stockholders:

(i) the Merger Consideration allocated pursuant to Section 2.9; and

(ii) such documents, instruments and certificates as are required by this Agreement to be delivered by Bentley and Merger Sub.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Bentley and Merger Sub as follows:

3.1 Organization and Authority.

(a) The Company is a corporation duly incorporated and/or organized, validly existing and in good standing under the laws of the State of Florida and has all requisite power and authority (corporate and other) to own, lease, operate or otherwise hold its Assets, to conduct its business as currently conducted and as currently proposed to be conducted.

(b) The Company is duly licensed or qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the failure to so qualify could have a Material Adverse Effect.

3.2 Contravention; Validity.

(a) The execution, delivery and performance by the Company of this Agreement and each of the Collateral Documents, the consummation by the Company of the transactions contemplated hereby and thereby, and compliance by the Company with all of the provisions of this Agreement, will not (i) result in any breach or violation of, or conflict with, any Legal Requirement; (ii) violate or result in any breach of any of the provisions of, or constitute a default under, give rise to a right of termination or cancellation of, or accelerate the performance required by any terms of, as the case may be, any indenture, mortgage, agreement, lease, license, note, permit, franchise, contract, deed of trust or other instrument to which the Company is a party or by which it or any of its Assets may be bound; or (iii) violate or conflict with any provision of the Articles of Incorporation, the By-laws or other governing agreement of the Company.

(b) This Agreement has been duly and validly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 Consents. The execution, delivery and performance by the Company of this Agreement and the Collateral Documents are within the Company's corporate powers, have been duly authorized by all necessary corporate action on the part of the Company and do not and will not require any consent or approval of any Person (other than consents or approvals which have been obtained) or any authorization, consent or approval by, or registration, qualification, declaration or filing with, or notice to any Governmental Authority (other than actions and filings that have been taken or made and the filings contemplated by Section 2.5 hereof).

3.4 Books and Records; Accounts Receivable. The Books and Records accurately and fairly represent the Company's business and its results of operations in all material respects. The accounts receivable of the Company are valid receivables subject to no setoffs or counterclaims and are current and collectible, subject to any reserve for doubtful accounts provided for in the Interim Statements.

3.5 Brokers or Finders. No broker or finder has acted directly or indirectly for the Company or any of its Affiliates in connection with the transactions contemplated by this Agreement. Neither the Company nor any of its Affiliates has incurred any obligation to pay any brokerage or finder's fee or other commission in connection with the transactions contemplated by this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

The Stockholders, jointly and severally, hereby represent and warrant to Bentley and Merger Sub as follows:

4.1 Contravention; Validity.

(a) The execution, delivery and performance by the Stockholders of this Agreement and each of the Collateral Documents to which they are parties, the consummation by the Stockholders of the transactions contemplated hereby and thereby, and compliance by the Stockholders with all of the provisions of this Agreement, will not (i) result in any breach or violation of, or conflict with, any Legal Requirement; and (ii) violate or result in any breach of any of the provisions of, or constitute a default under, give rise to a right of termination or cancellation of, or accelerate the performance required by any terms of, as the case may be, any indenture, mortgage, agreement, lease, license, note, permit, franchise, contract, deed of trust or other instrument to which the Stockholders or the Company are parties or by which the Stockholders or any of the Company Common Stock may be bound.

(b) This Agreement has been duly and validly executed and delivered by each Stockholder and constitutes the valid and binding obligation of each such Stockholder (with respect to his or her obligations hereunder), enforceable against each such Stockholder in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.2 Company Representations. To the best knowledge of each Stockholder, the representations and warranties of the Company in Article 3 are true, complete and accurate.

4.3 Alienability of Shares.

(a) Each Stockholder has the unfettered right to alienate the shares of Company Common Stock owned by him or her. Each Stockholder will cause such unfettered alienability of his or her shares of Company Common Stock (including by way of exclusion thereof from any community property) to remain in effect until the Closing.

(b) Each Stockholder represents that, if married, he or she is not physically nor legally separated from his or her spouse, is not involved in divorce proceedings with his or her spouse and that the transactions entered into pursuant to this Agreement constitute arms' length transactions.

4.4 Rights and Options. Except as set forth on Schedule 4.4 and for the rights granted to Bentley under the Option Agreement, there are no options, warrants, calls or other rights, agreements or commitments relating to the Company Common Stock owned by each Stockholder, including any right of conversion or exchange, actually or contingently, under any outstanding security or other instrument.

4.5 Securities Law Matters.

(a) Each of Gabriel Norona and Francisco Norona is an "accredited investor" as such term is defined in Rule 501 of Regulation D under the Securities Act.

(b) The principal residence of each of Gabriel Norona, Francisco Norona, Dean Bowman, Andrew Panayatoff and Orestes Norat is located in the State of Florida and the principal residence of Robert Cormack is located in Australia. No Stockholder has received any communications from Bentley or its Representatives regarding his investment in the Bentley Securities at any location other than in the state or jurisdiction of his principal residence. At all times during the negotiation of this Agreement and the related transactions, each Stockholder has been represented by Gabriel Norona, as his purchaser representative, and Norman Malinski, P.A., as his counsel.

(c) (i) The Bentley Securities will be acquired by each Stockholder for investment for the Stockholder's own account, and not with a view to the sale or distribution of any part thereof in violation of applicable Federal and state securities laws, and (ii) no Stockholder has any current intention of selling, granting participation in or otherwise distributing the same in violation of applicable Federal and state securities laws.

(d) Each Stockholder understands that the Bentley Securities will not be registered under the Securities Act or any state securities law on the basis that the sale provided for in this Agreement and the issuance of the Bentley Securities hereunder is exempt from registration under the Securities Act or any state securities law. Except as required by the Registration Rights Agreement, Bentley shall not be obligated to register the Bentley Securities under the Securities Act or any state securities law.

(e) Each Stockholder understands that the Bentley Securities will bear a restrictive legend prohibiting transfers thereof except in compliance with applicable Federal

and state securities laws and will not be transferred of record except in compliance therewith. Bentley may require, as a condition to transferring the Bentley Securities, an opinion of counsel satisfactory to it that such transfer complies with applicable Federal and state securities laws. Stop transfer instructions will be issued to Bentley's transfer agent, if any, with respect to the Bentley Securities or, if Bentley acts as its own transfer agent, Bentley will make a notation on its records concerning these restrictions on transfer.

(f) Each Stockholder understands that unless previously registered with the Securities and Exchange Commission, the Bentley Securities may not be sold, transferred or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the Bentley Securities or an available exemption from registration under the Securities Act, the Bentley Securities must be held indefinitely. In particular, each Stockholder is aware that the Bentley Securities may not be sold pursuant to Rule 144 promulgated under the Securities Act ("RULE 144") unless all of the conditions of that Rule are met. Among the current conditions for use of Rule 144 by certain holders is the availability to the public of current information about Bentley. Such information is not now available.

(g) Each Stockholder (i) can afford to bear the economic risk of holding the unregistered Bentley Securities for an indefinite period of time, has no need for liquidity in any Bentley Securities he or she may hold, and has adequate means for providing for his or her current needs and contingencies, (ii) can afford to suffer a complete loss of his or her investment in the Bentley Securities, and (iii) understands and has taken cognizance of all risk factors related to the receipt of the Bentley Securities. Each Stockholder's overall commitment to investments which are not readily marketable is not disproportionate to his or her net worth and his investment in Bentley Securities will not cause such overall commitment to become excessive. Each Stockholder has such knowledge and experience in business and financial matters that he or she is capable of evaluating Bentley and the activities thereof and the risks and merits of investment in the Bentley Securities, of making an informed investment decision thereon and of protecting his or her interests in connection with the transaction.

(h) Each Stockholder (i) is familiar with the business and financial condition, properties, operations and prospects of Bentley, (ii) has received and carefully reviewed and evaluated the Bentley Information Statement dated July 31, 2001 and the supplement thereto dated August 15, 2001 (collectively, the "INFORMATION STATEMENT"), which have been provided by Bentley to the Stockholders, including the "Risk Factors" set forth therein, and (iii) has been given, through his or her Representatives, full access to all material information concerning the condition, properties, operations and prospects of Bentley, including, without limitation, all material books of Bentley and contracts and documents relating to the transactions contemplated hereby. Each Stockholder and his or her Representatives have had an opportunity to ask questions of, and to receive information from, Bentley and persons acting on its behalf concerning the terms and conditions of his or her investment in the Bentley Securities and to obtain any additional information necessary to verify the accuracy of the information and data received by him or her. Neither the Stockholders nor their Representatives have been furnished any offering literature other than the Information Statement and the documents attached as exhibits thereto, and the Stockholders and their Representatives have relied or will

rely only on the information contained in the Information Statement and its exhibits and such other information as is described in this subparagraph (h), furnished or made available to them by Bentley.

(i) Each Stockholder acknowledges that at no time has there been any representation, guarantee or warranty to him or her by any broker-dealer, Bentley, their agents or employees, or any other person, expressly or by implication, concerning any of the following:

(i) the approximate or exact length of time that the Stockholder will be required to retain ownership of Bentley Securities;

(ii) the percentage of profit or amount of, or type of consideration, profit or loss to be realized, if any, as a result of an investment in Bentley Securities; or

(iii) that the past performance or experience of Bentley will in any way indicate the predictable results of the ownership of Bentley Securities.

4.6 Transactions with Affiliates. Except as disclosed in Schedule 4.6, the Company is not a party to any contract or agreement with any Stockholder, any other Affiliate or any Affiliate of any Stockholder.

4.7 Stock Ownership. Each Stockholder is the owner of record and the beneficial owner of that number of shares of Company Common Stock set forth opposite his or her name in Schedule 4.7, free and clear of all Encumbrances.

4.8 Capital Stock. The authorized capital stock of the Company is as set forth on Schedule 4.8. The issued and outstanding capital stock is owned of record and beneficially by the Stockholders and by Bentley in the proportions set forth in Schedule 4.8 hereto. All such outstanding shares of capital stock have been duly authorized, validly issued and are fully paid, non-assessable and free of preemptive rights. Except as set forth in Schedule 4.8 hereto, no shares of capital stock are held in the treasury of the Company. Except for the Stockholders' Agreement, there are no voting trusts or other agreements or understandings with respect to the voting of any capital stock of the Company. Except as set forth in Schedule 4.8 hereto, the Company is not subject to any obligation (contingent or otherwise) to repurchase, acquire or retire any shares of its capital stock.

4.9 Financial Statements. The Company has furnished to Bentley complete and accurate copies of (i) financial statements of the Company for the fiscal years ended December 31, 1998, 1999 and 2000, all of which have been reviewed by Mariano Rodriguez, independent accountant for the Company (the "REVIEWED STATEMENTS"), and (ii) unaudited financial statements for the 6-month period ended June 30, 2001 (the "INTERIM STATEMENTS" and together with the Reviewed Statements, the "FINANCIAL STATEMENTS"), copies of which are attached as Schedule 4.9. The Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis during the respective periods. The Financial Statements are true, correct and complete and present fairly the Assets, Liabilities, retained earnings, profit and loss and the financial position of the Company as of such dates and the results of its operations for such

periods. The Company does not have any material Liability, individually or in the aggregate, of the nature required to be disclosed on a balance sheet prepared in accordance with GAAP that is not disclosed by the Financial Statements referred to above. Except as disclosed in Schedule 4.9, since the date of the most recent Reviewed Statements delivered to Bentley pursuant to this Section 4.9 there has not been, occurred or arisen any material adverse change in, or any event, condition or state of facts which could have a Material Adverse Effect.

4.10 Compliance with Laws, Licenses, Registrations, etc. The Company and its Assets are in compliance with all Legal Requirements, including, without limitation, all Environmental Laws, except for such noncompliance as could not reasonably be expected to have a Material Adverse Effect, and no Governmental Authority, including, without limitation, any Governmental Authority enforcing or adjudicating Environmental Laws, has taken any action, or threatened to take any action by written notice to the Company to revoke or suspend any approval necessary for the conduct of such business as now conducted and as proposed to be conducted.

4.11 Title to Properties; Leases; Assets Owned by BHA.

(a) The Company is the sole owner of, and has good, indefeasible and marketable title to all Assets reflected as being owned by it on the Financial Statements, as well as to all Assets acquired since the date of the Reviewed Statements (except Assets disposed of since such dates in the ordinary course of business consistent with past practice consistent with past practice), including without limitation all GEOPAK Products (as such term is defined in the Stockholders' Agreement). Except as set forth on Schedule 4.11(a), there are no Encumbrances on any of such Assets. The Company has the right to, and does, enjoy peaceful and undisturbed possession under all leases and licenses under which it is leasing or licensing property or other Assets. All such leases and licenses are valid, subsisting and in full force and effect, and none of such leases or licenses is in default on the part of the Company nor, to the knowledge of the Company or the Stockholders, on the part of any other Person.

(b) Except as set forth on Schedule 4.11(b), there are no assets owned or leased by Beiswenger, Hoch and Associates, Inc. that are used or useable by or in the possession of the Company.

4.12 Intellectual Property.

(a) Schedule 4.12(a) sets forth a true and complete list of all Intellectual Property.

(b) Except as otherwise described in Schedule 4.12(b): (i) Company owns or has the exclusive perpetual right to use, without payment to any other party, all Intellectual Property; (ii) no other person has any rights in or to any of the Intellectual Property (including, without limitation, any rights to royalties or other payments with respect to, or rights to market or distribute any of, the Intellectual Property); (iii) the rights of Company in and to any of the Intellectual Property will not be limited or otherwise affected by reason of any of the transactions contemplated hereby; (iv) the Intellectual Property is sufficient for the conduct of

the Company's business as such is presently conducted; and (v) none of the Intellectual Property infringes or is alleged to infringe any trademark, copyright, patent or other proprietary right of any person.

(c) All employees of Company or other Persons involved with the development, implementation, use or marketing of any Intellectual Property have entered into written agreements assigning to Company all rights to any Intellectual Property related to Company's business.

4.13 Compliance with Other Instruments. The Company is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in, and is not otherwise in default under, (a) any evidence of indebtedness or any instrument or agreement under or pursuant to which any evidence of indebtedness has been issued; or (b) any other material instrument or agreement to which it is a party or by which it is bound or any of its properties is affected.

4.14 Contracts and Binding Commitments.

(a) Schedule 4.14 lists all of the material contracts, agreements or arrangements (in each case, whether written or oral) (the "CONTRACTS") to which the Company is a party or by which any of its Assets are or may be bound including, without limitation employment agreements, software license and lease agreements and agreements relating to borrowed money. The Company has provided correct and complete copies of, or if none exist, written descriptions of all of the Contracts to Bentley.

(b) All of the Contracts are valid and binding in all respects and enforceable in accordance with their terms and are in full force and effect. None of the Contracts contain terms which in the ordinary course of business consistent with past practice could reasonably be expected to have a Material Adverse Effect. The Company and, to the best knowledge of the Stockholders, each other party to the Contracts, has performed in all material respects all obligations required to be performed by them to date under the Contracts. Neither the Company nor, to the best knowledge of the Stockholders, any other party to any of the Contracts, is in or claimed to be in material breach or default in any respect under any term or provision of any of the Contracts. The Closing of the transactions contemplated by this Agreement will not result in the termination of any of the Contracts under the express terms thereof, will not require the consent of any party thereto and will not bring into operation any other provision thereof nor result in a breach or default thereunder. There exists no condition or event which, after notice or lapse of time or both, would constitute a default by the Company of any of the Contracts. To the best knowledge of the Stockholders, there exists no condition or event which, after notice or lapse of time or both, would constitute a default by any other party of any of the Contracts.

(c) Without limiting the representations set forth in Sections 4.12(a) and (b): (i) the Company and the Stockholders have performed all obligations and taken all actions required to be performed or taken by them to date under Article IV (Corporate Governance) of the Stockholders' Agreement (the "CORPORATE GOVERNANCE OBLIGATIONS") and

all other material obligations and actions required to be performed or taken by them under the Stockholders' Agreement; and (ii) there exists no condition or event which, after notice or lapse of time or both, would constitute a default by the Company or the Stockholders of any of the Corporate Governance Obligations or any other material term or provision of the Stockholders' Agreement.

(d) The Company is not a party to or bound by (nor is any of its Assets affected by) any Contract, or subject to any Legal Requirement or any charter or other corporate or contractual restriction, which could reasonably be expected to have a Material Adverse Effect.

4.15 Pending Litigation, etc. There is no claim, action at law, suit in equity or other proceeding or investigation in, by or before any Governmental Authority pending or, to the knowledge of the Stockholders, threatened against or affecting the Company or any of its Assets that, either individually or in the aggregate, (a) could reasonably be expected to have a Material Adverse Effect or (b) could question the validity or enforceability of the transactions contemplated by this Agreement.

4.16 Taxes.

(a) Definition. For purpose of this Agreement, the term "TAXES" means all taxes, fees, levies, customs, duties, charges or other assessments, including, without limitation, all Federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, sales, use, occupation, property, excise, severance, windfall profits, stamp, license, payroll, withholding and other taxes, assessments, or duties of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a Return), and all estimated taxes, deficiency assessments, additions to tax, penalties, fines and interest.

(b) Tax Returns. The Company has timely filed or caused to be timely filed or will timely file or cause to be timely filed with the appropriate taxing authorities all returns, statements, forms and reports for Taxes (the "RETURNS") that are required to be filed by the Company on or prior to the Closing. The Returns accurately reflect all liability for Taxes of the Company for the periods covered thereby.

(c) Payment of Taxes. All Taxes and Tax liabilities of the Company due on or prior to the Closing have been timely paid or will be timely paid in full on or prior to the Closing. As of the Closing, the aggregate amount of all Taxes with respect to the income, property or operations of the Company that relate to a tax period beginning before and ending after the Closing does not and will not exceed $25,000.

(d) Other Tax Matters.

(i) Except for an audit by the Florida Department of Revenue with respect to sales tax and intangibles tax, there are no audits, suits, investigations or inquiries (threatened or pending) or other examination of Taxes by the appropriate tax authorities of any nation, state or locality currently in progress with respect to the Company.

(ii) Neither the Stockholders nor the Company have, as of the date hereof, (A) entered into an agreement or waiver or been requested to enter into an agreement or waiver extending any statute of limitations relating to the filing of any Return or the payment or collection of Taxes of the Company, (B) applied for and not yet received a ruling or determination from a taxing authority regarding a past or prospective transaction of the Company, or (C) is presently contesting the Tax liability of the Company before any court, tribunal or agency.

(iii) The Company has not been included in or joined in the filing of any "consolidated" or "combined" Return provided for under the law of the United States, any state or locality with respect to Taxes for any taxable period.

(iv) Since the last filing date of each applicable Return, there has not been any change in any method of reporting income or expenses for federal, state or local Tax purposes followed by the Company.

(v) The Company has not filed a consent with the Internal Revenue Service pursuant to Section 341(f) of the Code and has not agreed to have Section 341(f)(2) of the Code apply to any disposition of a subsection (f) asset (as defined in Section 341 (f) of the Code) owned by the Company.

(vi) All Taxes relating to the income, properties or operations of the Company which the Company is required by law to withhold or collect have been duly withheld or collected, and have been timely paid over to the proper authorities to the extent due and payable.

(vii) There are no tax sharing or allocation agreements in effect on the Closing Date as between the Stockholders or the Company with respect to Taxes.

(viii) No property shown as an Asset on the Books and Records is "tax-exempt use property" within the meaning of Section 168(h) of the Code nor property that Bentley will be required to treat as being owned by another person pursuant to Section 168 of the Code (or any corresponding provision of prior law).

(ix) No Stockholder is a "foreign person" within the meaning of Section 1445 of the Code.

(x) The Company is not a party to any agreement that would require the Company to make any payment that would constitute an "excess parachute payment" for purposes of Sections 280G and 4999 of the Code.

(xi) The Company is not now and has never been a partner in any partnership and has not participated in any joint venture.

4.17 Events Since Reviewed Statements. Since December 31, 2000 there has not been any material change in the operations, condition (financial or otherwise), business policies or practices of the Company.

4.18 Employee Benefit Plans; Employment Matters.

(a) Schedule 4.18(a) hereto lists each "employee pension benefit plan", as such term is defined in Section 3(2) of ERISA (each, a "PENSION PLAN"), and each "employee welfare benefit plan", as such term is defined in Section 3(1) of ERISA (together with the Pension Plans, the "PLANS") which is maintained by the Company or to which the Company contributes and which is subject to ERISA, excluding any Plan which is a multi-employer plan as such term is defined in Section 3(37) of ERISA. Each Pension Plan that is intended to be qualified under Section 401(a) of the Code (i) has received a favorable determination letter from the Internal Revenue Service and the Company is not aware of any circumstances likely to result in revocation of any such favorable determination letter and (ii) has been amended to comply with the Tax Reform Act of 1986 and subsequent laws. Each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. The Company has not engaged in any transaction with respect to any Plan which, assuming the taxable period of such transaction expired as of the date of this Agreement, could result in any taxes or penalties on prohibited transactions under Section 4975 of the Code or under Section 502(i) of ERISA, in an amount that would reasonably be expected to have a Material Adverse Effect.

(b) No Pension Plan has an "accumulated funding deficiency", as such term is defined in Section 302 of ERISA and Section 412 of the Code (whether or not waived). The Company had not incurred any liability to the Pension Benefit Guaranty Corporation under Title IV of ERISA, other than for the payment of premiums, all of which have been paid when due. No notice of a "reportable event," within the meaning of Section 4043 of ERISA for which the 30-day reporting requirement has not been waived, has been required to be filed for any Pension Plan within the 12-month period ending on the date hereof. The Company has not incurred a partial or complete withdrawal from any Plan that is a multi-employer plan, other than a withdrawal that would result in de minimis liability not in excess of the maximum amount subject to reduction under Section 4209 of ERISA.

(c) Except as set forth on Schedule 4.18(c), under each Pension Plan that is a "single employer plan," within the meaning of Section 4001(a)(15) of ERISA, as of the last day of the most recent plan year ended prior to the date hereof, the actuarially determined present value of "benefit liabilities," within the meaning of Section 4001(a)(16) of ERISA (as determined on the basis of actuarial assumptions contained in the Plan's most recent actuarial valuation), did not exceed the then current value of the assets of such Plan. There has been no material change in the financial condition of such Plan since the last day of the most recent plan year.

(d) The Company has no obligations for retiree health and life benefits under any Plan, except as set forth on Schedule 4.18(d). Subject to the provisions of the Stockholders' Agreement, the Company may amend or terminate any such Plan, under the terms of such Plan, without incurring any material liability thereunder.

(e) None of the Plans provides for the payment of separation, severance, termination or similar-type benefits to any person or obligates the Company to pay separation, severance, termination or similar-type benefits solely or partially as a result of any

transaction contemplated by this Agreement or as a result of a "change in control", within the meaning of such term under Section 280G of the Code. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, either alone or together with another event, will (i) result in any payment (including, without limitation, severance, unemployment compensation, golden parachute, forgiveness of indebtedness or otherwise) becoming due under any Plan, (ii) increase any benefits otherwise payable under any Plan or other arrangement, (iii) result in the acceleration of the time of payment, vesting or funding of any benefits, or (iv) affect in any respects any Plan's current treatment under any Legal Requirements including any tax or social contribution law.

(f) There are no collective bargaining agreements applicable to any Persons employed by the Company, and the Company has no duty to bargain with any labor organization with respect to any such Person. There are not pending any unfair labor practice charges against the Company, nor is there any demand for recognition, or any other request or demand from a labor organization for representative status with respect to any person employed by the Company.

(g) The Company is in substantial compliance with all applicable Legal Requirements respecting employment conditions and practices, has withheld all amounts required by any applicable Legal Requirements or Contracts to be withheld from the wages or salaries of its employees, and is not liable for any arrears of wages or any Taxes or penalties for failure to comply with any of the foregoing.

(h) The Company has not engaged in any unfair labor practice within the meaning of the National Labor Relations Act and has not violated any Legal Requirement prohibiting discrimination on the basis of race, color, national origin, sex, religion, age, marital status, or handicap in its employment conditions or practices. There are not pending or, to any Stockholder's knowledge, threatened unfair labor practice charges or discrimination complaints relating to race, color, national origin, sex, religion, age, marital status, or handicap against the Company in, by or before any Governmental Authority.

(i) There are no existing or, to any Stockholder's knowledge, threatened, labor strikes, disputes, grievances or other labor controversies affecting the Company. There are no pending or, to any Stockholder's knowledge, threatened arbitration proceedings under any Contract.

(j) The Company is not a party to any employment agreement or arrangement, written or oral, relating to its employees which cannot be terminated at will by the Company.

(k) Schedule 4.18(k) sets forth a true and complete list of the names, titles and rates of compensation of the eighteen most highly compensated employees of the Company.

4.19 Customers. As of the date hereof, none of the twenty (20) customers to whom the Company made the most sales (measured by gross revenues) during the fiscal year ended

December 31, 2000 and/or during 2001 fiscal year-to-date has cancelled or otherwise terminated prior to the expiration of the contract term, or, to the Stockholders' knowledge, made any written threat to the Company to cancel or otherwise terminate its relationship with the Company.

4.20 Brokers or Finders. No broker or finder has acted directly or indirectly for the Stockholders or any of their Affiliates in connection with the transactions contemplated by this Agreement. Neither the Stockholders nor any of their Affiliates has incurred any obligation to pay any brokerage or finder's fee or other commission in connection with the transactions contemplated by this Agreement.

4.21 Full Disclosure. Neither this Agreement (including all Exhibits and Schedules hereto and any other agreements or documents delivered on the Closing Date), nor any written report or Financial Statement delivered or furnished to Bentley by or on behalf of the Stockholders pursuant to or in connection with this Agreement, or the transactions contemplated hereby, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. There is no fact known to the Stockholders that has not been disclosed to Bentley in writing that has or could reasonably be expected to have a Material Adverse Effect.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BENTLEY AND MERGER SUB

Bentley and Merger Sub jointly and severally represent and warrant to the Company and the Stockholders as follows:

5.1 Organization and Authority.

(a) Each of Bentley and Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite power and authority (corporate and other) to own, lease, operate or otherwise hold its properties, to conduct its business as currently conducted and as currently proposed to be conducted.

(b) Each of Bentley and Merger Sub is duly licensed or qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the failure to so qualify could have a material adverse effect on its business, assets or operations.

5.2 Contravention; Validity.

(a) The execution, delivery and performance by Bentley and Merger Sub of this Agreement and each of the other documents and agreements related to any of the foregoing, the consummation by Bentley and Merger Sub of the transactions contemplated hereby and thereby, and compliance by Bentley and Merger Sub with all of the provisions of this Agreement, will not (i) result in any breach or violation of, or conflict with, any Legal

Requirement; (ii) violate or result in any breach of any of the provisions of, or constitute a default under, give rise to a right of termination or cancellation of, or accelerate the performance required by any terms of, as the case may be, any indenture, mortgage, agreement, lease, license, note, permit, franchise, contract, deed of trust or other instrument to which Bentley or Merger Sub or by which they or any of their properties may be bound; or (iii) violate or conflict with any provision of the Certificate of Incorporation, the By-laws or other governing agreement or instrument of Bentley or Merger Sub.

(b) This Agreement has been duly and validly executed and delivered by each of Bentley and Merger Sub and constitutes the valid and binding obligation of each of Bentley and Merger Sub, enforceable against each in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Consents. The execution, delivery and performance by each of Bentley and Merger Sub of its obligations under this Agreement, and all other documents and agreements related hereto are within the corporate powers of each of Bentley and Merger Sub, respectively, have been duly authorized by all necessary corporate action on the part of Bentley and Merger Sub, respectively, and do not and will not require any consent or approval of any Person (other than consents or approvals which have been obtained) or any authorization, consent or approval by, or registration, qualification, declaration or filing with, or notice to any Governmental Authority (other than actions and filings that have been taken or made and the filings contemplated by Section 2.5 hereof).

5.4 Representations and Warranties Concerning Class C and Class D Shares. The representations of Bentley set forth in Section 2 of the Securities Purchase Agreement are incorporated herein by reference and restated as though originally made in this Agreement on the date hereof with respect to the sale and issuance by Bentley of the shares of its Class C Senior Common Stock, Class D Non-Voting Common Stock and Warrants to purchase its Class B Non-Voting Common Stock pursuant to Section 2.6 hereof; provided, however, that Schedule 5.4 attached to this Merger Agreement updates Section 2.3(a) of the Securities Purchase Agreement.

ARTICLE 6

CLOSING DELIVERIES OF COMPANY AND STOCKHOLDERS

6.1 The Company and the Stockholders shall have executed and delivered, or caused to be executed and delivered by the appropriate Persons, to Bentley and Merger Sub the following documents at the Closing:

(a) Employment Agreements with respect to those Stockholders that currently have employment contracts with the Company (the "EMPLOYMENT AGREEMENTS");

(b) Joinder to the Securities Purchase Agreement among Bentley and the purchasers identified therein, dated as of September 18, 2001 (the "JOINDER TO THE SECURITIES PURCHASE AGREEMENT");

(c) Joinder to the Amended and Restated Information and Registration Rights Agreement among Bentley and the Stockholders, dated as of September 18, 2001 (the "JOINDER TO THE REGISTRATION RIGHTS AGREEMENT");

(d) The Common Stock Purchase Warrants issued by Bentley to the Stockholders, each dated September 18, 2001 (the "WARRANTS");

(e) Evidence reasonably satisfactory to Bentley (i) that the Company and the Stockholders have taken all action necessary to authorize the execution of this Agreement and the Collateral Documents to which he, she or it is a party and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the approval of the Company's Board of Directors of the Merger and the other transactions contemplated by this Agreement and the Collateral Documents (the "COMPANY BOARD APPROVAL") and any actions required to be taken by the Company and/or the Stockholders pursuant to the laws of the State of Florida and (ii) all consents, approvals, authorizations and orders required to be obtained by the Company and/or the Stockholders from, and all registrations, filings and notices required to be made by the Company and/or the Stockholders with or given to, any Governmental Authority or Person, have been duly obtained, made or given, as the case may be, and are in full force and effect, unless the failure to obtain, make or give any such consent, approval, authorization, order, registration, filing or notice, would not have a Material Adverse Effect or impair the ability of the Company and/or the Stockholders to consummate the transactions contemplated by this Agreement and the Collateral Documents;

(f) Opinion of Norman Malinski, P.A., counsel to the Company, dated the Closing Date, in the form attached hereto as Exhibit 3;

(g) A certificate of the Secretary of the Company certifying, among other things, the resolutions or written consent evidencing the Company Board Approval and the Articles of Incorporation and By-laws of the Company;

(h) A certificate of an officer of the Company and the Stockholders certfiying that (i) there has been no event, occurrence or circumstance constituting a Material Adverse Effect since December 31, 2000, (ii) there is no action, suit or proceeding pending or, to their knowledge, threatened by or on behalf of any Person, and no Legal Requirement or policy of any applicable Governmental Authority has been enacted, promulgated or issued that would: (A) prohibit or materially adversely affect Bentley's or the Surviving Corporation's ownership or operation of all or a material portion of the Company's business or the Assets or otherwise materially impair the ability of Bentley or the Surviving Corporation to realize the benefits of the transactions contemplated by this Agreement and the Collateral Documents or materially adversely affect the value of the Assets; (B) materially restrict or limit or otherwise condition Bentley's or the Surviving Corporation's right to transfer and/or assign the Company's business or the Assets in the future; (C) compel Bentley or the Surviving Corporation to dispose of or

hold separate all or a material portion of the Assets as a result of any of the transactions contemplated by this Agreement and the Collateral Documents; (D) prevent or make illegal the consummation of any transactions contemplated by this Agreement and the Collateral Documents; or (E) cause any of the transactions contemplated by this Agreement and the Collateral Documents to be rescinded following the Closing; and (iii) no Stockholder has exercised or is entitled to exercise dissenters' rights under the FBCA or any other applicable law in connection with the Merger;

(i) The Books and Records; and

(j) Such other documents and instruments as Bentley may reasonably request: (i) to evidence the performance by the Company and the Stockholders of, or the compliance by the Company and the Stockholders with, any covenant, obligation, condition and agreement to be performed or complied with by the Company and/or the Stockholders under this Agreement and the Collateral Documents; or (ii) to otherwise facilitate the consummation or performance of any of the transactions contemplated by this Agreement and the Collateral Documents.

ARTICLE 7

CLOSING DELIVERIES OF BENTLEY AND MERGER SUB

7.1 Bentley and Merger Sub, as applicable, shall have executed and delivered, or caused to be executed and delivered, to the Company and the Stockholders the following documents at the Closing:

(a) The Employment Agreements;

(b) The Joinder to the Securities Purchase Agreement, the Joinder to the Registration Rights Agreement and the Warrants;

(c) Evidence reasonably satisfactory to the Company and the Majority Stockholders that (i) Bentley and Merger Sub have each taken all action necessary to authorize the execution of this Agreement and the Collateral Documents and the consummation of the transactions contemplated hereby including, without limitation, the approval of Bentley's and Merger Sub's Board of Directors of the Merger and the other transactions contemplated by this Agreement and the Collateral Documents (the "BENTLEY BOARD APPROVALS") and (ii) all consents, approvals, authorizations and orders required to be obtained by Bentley and/or Merger Sub from, and all registrations, filings and notices required to be made by Bentley and/or Merger Sub with or given to, any Governmental Authority or Person, have been duly obtained, made or given, as the case may be, and are in full force and effect, unless the failure to obtain, make or give any such consent, approval, authorization, order, registration, filing or notice, would not have a material adverse effect on Bentley or Merger Sub, their assets or businesses or impair the ability of Bentley and/or Merger Sub to consummate the transactions contemplated by this Agreement and the Collateral Documents;

(d) Opinion of Drinker Biddle & Reath LLP, counsel to Bentley and Merger Sub, dated the Closing Date, in the form attached hereto as Exhibit 4;

(e) A certificate of the Secretary of each of Bentley and Merger Sub certifying, among other things, the resolutions or written consent evidencing the Bentley Board Approvals and the Certificate of Incorporation and By-laws of each of Bentley and Merger Sub;

(f) A certificate of an officer of each of Bentley and Merger Sub certifying that there is no action, suit or proceeding pending or, to its knowledge, threatened by or on behalf of any Person, and no Legal Requirement or policy of any applicable Governmental Authority has been enacted, promulgated or issued that would: (i) prevent or make illegal the consummation of any of the transactions contemplated by this Agreement and the Collateral Documents; or (ii) cause any of the transactions contemplated by this Agreement and the Collateral Documents to be rescinded following the Closing; and

(g) Such other documents and instruments as the Company and the Stockholders may reasonably request: (i) to evidence the performance by Bentley and Merger Sub of, or the compliance by Bentley or Merger Sub with, any covenant, obligation, condition and agreement to be performed or complied with by Bentley or Merger Sub under this Agreement and the Collateral Documents; or (ii) to otherwise facilitate the consummation or performance of any of the transactions contemplated by this Agreement and the Collateral Documents.

ARTICLE 8

POST-CLOSING COVENANTS

The Parties agree as follows with respect to the period following Closing:

8.1 Employment Matters. From and after the Effective Time, (i) all continuing employees of the Surviving Corporation and all employees of the Company engaged directly by Bentley shall be eligible for employee benefits generally available to employees of Bentley to the same extent as all other employees of Bentley, and such benefits shall be in lieu of any and all employee benefits that the Company had been providing to such continuing employees immediately prior to the Effective Time, and (ii) Bentley shall grant all continuing employees of the Surviving Corporation credit for service (to the same extent as service with Bentley or any subsidiary of Bentley is taken into account with respect to similarly situated employees of Bentley and its subsidiaries) with the Company for determining benefit levels under such employee benefits. Nothing contained in this Agreement shall create or imply any obligation on the part of Bentley, Merger Sub, the Company or the Surviving Corporation to provide any continuing employment right to any individual.

8.2 Tax Matters.

(a) Bentley shall cause the Company to prepare and file all Returns required by law of the Company for all taxable periods ending on or before the Closing Date (the "PRE-CLOSING PERIODS") and the Stockholders shall be responsible for, and indemnify Bentley against, the payment of all income, franchise or similar Taxes of the Company attributable to such periods, whenever incurred or assessed, in excess of the amounts reflected for Tax liabilities in the Financial Statements or, in the case of Taxes accruing after the periods covered by the Financial Statements, to the extent such Taxes were not incurred in the ordinary course of business.

(b) The Returns for the Pre-Closing Periods shall be made available to the Stockholders no less than 21 calendar days prior to the filing thereof with the appropriate Governmental Authority for review by the Stockholders. From and after the Closing Date, Bentley and the Company, on the one hand, and the Stockholders, on the other hand, shall make available to the other, as reasonably requested, all information, records or documents relating to the Tax liabilities of the Company for all periods ending on or prior to the Closing Date, and will preserve such information, records or documents until the expiration of any applicable statute of limitations or extensions thereof.

(c) Bentley shall notify the Stockholders of any pending or threatened federal, state, local or foreign tax audit, examinations or assessments which may affect any tax liability for which the Stockholders are liable. The Stockholders shall have the sole right to conduct any tax audit or administrative or court proceeding relating to a potential liability for such taxes and shall bear all costs and expenses of such audit or examination. Bentley shall not settle any tax claim for which the Stockholders may be liable without prior written consent of Stockholders which consent shall not be unreasonably withheld.

(d) Neither Bentley nor the Stockholders shall take any action, and Bentley shall cause the Company to refrain from taking any action, that would adversely affect the treatment of the Merger as a reorganization within the meaning of Section 368(a)(2)(D) of the Code.

8.3 Non-Competition.

(a) As an inducement to Bentley, and recognizing that Bentley would not have entered into this Agreement and the Collateral Documents without the Non-Competition Covenants, no Stockholder nor any Affiliate thereof shall, directly or indirectly, until two (2) years from the Closing Date:

(i) engage, anywhere in the Territory, in developing, publishing, marketing, selling or supporting software useful in any civil engineering market (including, without limitation, the transportation, road, bridge, site and subdivision development, and survey and structures markets) that is substantially similar to or in competition with any software product offered by Bentley, the Company, the Surviving Corporation or their Affiliates (collectively, the "Bentley Entities") or planned to be offered by any Bentley Entity, or to

provide anywhere in the Territory any service substantially similar to or in competition with any service offered by any Bentley Entity;

(ii) be or become a shareholder, director, partner, owner, officer, employee or agent of, or consultant to, or give financial or other assistance to, Autodesk, Inc. or Intergraph Corporation or any other Person engaged in, or considering in engaging in, any such activities other than the Bentley Entities following the Effective Time; provided, however, that nothing herein shall prohibit such Stockholder from owning, as a passive investor, up to one percent (1%) of the outstanding publicly traded stock of any corporation so engaged;

(iii) seek, in competition with the Bentley Entities, to procure orders from, purchase any product from or do business with, any customer or supplier thereof;

(iv) solicit, or contact with a view to the engagement or employment of, an employee of the Bentley Entities;

(v) seek to contract with or engage (in such a way as to adversely affect or interfere with the Bentley Entities) any Person who has been contracted with or engaged to manufacture, assemble, supply or deliver products, goods, materials or services to the Bentley Entities; or

(vi) engage in or participate in any effort or act to induce any of the customers, associates, consultants, partners, or employees of the Bentley Entities to take any action which might be disadvantageous to the Bentley Entities.

The foregoing covenants are collectively referred to herein as the "NON-COMPETITION COVENANTS."

(b) Each of the Stockholders agrees that a violation of any of the Non-Competition Covenants will cause irreparable damage to the Bentley Entities and that it is and will be impossible to estimate or determine the damage that will be suffered by the Bentley Entities in the event of a breach by a Stockholder of any such covenant. Therefore, each Stockholder further agrees that the Bentley Entities and/or any non-violating Stockholder shall be entitled to an injunction out of any court of competent jurisdiction, restraining any further violation of such covenant or covenants by such Stockholder, his or her employer, employees, partners, agents or other associates, or any of them, such right to an injunction to be cumulative and in addition to whatever other remedies the Bentley Entities may have.

(c) The invalidity of any one or more of the provisions contained in this Section 8.3 shall not affect the enforceability of the remaining portions of this Section. If one or more of the provisions contained in this Section shall be invalid, this Section shall be construed as if such provision had not been inserted, and if such invalidity should be caused by the length of any period of time or the size of any area set forth in this Section, such period of time or such area, or both, shall, without need of further action by any party hereto, be deemed to be reduced to a period or area that will cure such invalidity.

(d) The period set forth in Section 8.3(a) shall be extended by the duration of any violation of such provision by a Stockholder with respect to such violating Stockholder.

ARTICLE 9

INDEMNIFICATION

9.1 Survival of Representations and Warranties. The representations and warranties contained in this Agreement shall survive the Effective Time. Neither the period of survival nor the liability of a Party with respect to such Party's representations and warranties shall be reduced by any investigation made at any time by or on behalf of another Party. The covenants and agreements contained in this Agreement or any certificate or other writing required to be delivered pursuant hereto shall survive the Effective Time to the extent specifically contemplated by the terms thereof.

9.2 Indemnification by Stockholders and Company. Bentley and its Affiliates (including, after the Effective Time, the Surviving Corporation), officers, directors, stockholders, employees, agents, successors and assigns (collectively, the "BENTLEY INDEMNIFIED PARTIES"), shall be indemnified and held harmless by the Company and the Stockholders, jointly and severally, for any and all liabilities, losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including, without limitation, reasonable attorneys' and consultants' fees and expenses and other costs of defending, investigating or settling claims) actually suffered or incurred by them (including, without limitation, in connection with any action brought or otherwise initiated by any of them) (hereinafter, "DAMAGES"), arising out of or resulting from:

(a) any inaccuracy in or the breach of any representation or warranty made by the Company or the Stockholders in this Agreement;

(b) the breach or non-fulfillment of any covenant or agreement made by the Company or the Stockholders in this Agreement;

(c) any liability or other obligation of the Company existing on the Closing Date and not disclosed in the Financial Statements, other than current liabilities incurred in the ordinary course of business consistent with past practice;

(d) any infringement of any trademark, copyright, patent or other proprietary or intellectual property right of any Person; and

(e) all liability of the Company or the Stockholders for Taxes that are due or accrue before the Closing Date.

9.3 Indemnification by Bentley. The Stockholders and their respective Affiliates (collectively, the "STOCKHOLDER INDEMNIFIED PARTIES"), shall be indemnified and held harmless by Bentley for any and all Damages, arising out of or resulting from:

(a) any inaccuracy in or breach of any representation or warranty made by Bentley or Merger Sub in this Agreement or in the Securities Purchase Agreement with respect to the sale and issuance of the Bentley Securities; or

(b) the breach or non-fulfillment of any covenant or agreement made by Bentley or Merger Sub in this Agreement.

9.4 Stockholders' Representative. The Stockholders hereby appoint Gabriel Norona (such person and any successor or successors being the "STOCKHOLDERS' REPRESENTATIVE"), and Gabriel Norona shall act as, the representative of the Stockholders, with full authority to act on behalf of the Stockholders and to take any and all actions required or permitted to be taken by the Stockholders' Representative under this Agreement, with respect to any claims (including the settlement thereof) made by Bentley or the Stockholders for indemnification pursuant to this Article 9. The Stockholders shall be bound by all actions taken by the Stockholders' Representative in his capacity thereof. The Stockholders' Representative shall promptly, and in any event within five Business Days, provide written notice to the Stockholders of any action taken on their behalf by the Stockholders' Representative pursuant to the authority delegated to the Stockholders' Representative under this Section 9.4. The Stockholders' Representative shall at all times act in his capacity as Stockholders' Representative in a manner that the Stockholders' Representative believes to be in the best interest of the Stockholders. The Stockholders' Representative shall not be liable to any person for any error of judgment, or any action taken, suffered or omitted to be taken, under this Agreement, except in the case of his gross negligence, bad faith or willful misconduct. The Stockholders' Representative may consult with legal counsel, independent public accountants and other experts selected by him and shall not be liable for any action taken or omitted to be taken in good faith by him in accordance with the advice of such counsel, accountants or experts. The Stockholders' Representative shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement. As to any matters not expressly provided for in this Agreement, the Stockholders' Representative shall not be required to exercise any discretion or take any action. Notwithstanding anything to the contrary herein, (a) the Stockholders' Representative is not authorized to, and shall not, accept on behalf of any Stockholder any Merger Consideration to which such Stockholder is entitled under this Agreement and (b) the Stockholders' Representative shall not, in any manner, exercise, or seek to exercise, any voting power whatsoever with respect to shares of capital stock of the Company or Bentley now or hereafter owned of record or beneficially by any Stockholder unless the Stockholders' Representative is expressly authorized to do so in a separate writing signed by such Stockholder. In all matters relating to this Article 9, the Stockholders' Representative shall be the only party entitled to assert the rights of the Stockholders, and the Stockholders' Representative shall perform all of the obligations of the Stockholders hereunder. Bentley shall be entitled to rely on all statements, representations and decisions of the Stockholders' Representative.

9.5 Matters Involving Third Parties.

(a) If any third party shall notify either Bentley, the Surviving Corporation or the Stockholders (the "INDEMNIFIED PARTY") with respect to any matter (a "THIRD PARTY CLAIM") that may give rise to a claim for indemnification against the other (the

"INDEMNIFYING PARTY") under this Article, then the Indemnified Party shall promptly notify the Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(b) Any Indemnifying Party shall have the right to defend the Indemnified Party against the Third Party Claim with counsel of the Indemnifying Party's choice reasonably satisfactory to the Indemnified Party so long as: (i) the Indemnifying Party notifies the Indemnified Party in writing (within 30 days after the Indemnified Party has given notice of the Third Party Claim) that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any adverse consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of or caused by the Third Party Claim; (ii) the Indemnifying Party provides the Indemnified Party with evidence acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third Party Claim and fulfill its indemnification obligations hereunder; (iii) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice adverse to the continuing business interests of the Indemnified Party; and (iv) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently.

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with subsection (b) above: (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim; (ii) the Indemnified Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party; and (iii) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party.

(d) If any of the conditions in subsection (c) above is not or no longer satisfied, however: (i) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it reasonably may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from, any Indemnifying Party in connection therewith); (ii) the Indemnifying Party shall reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third Party Claim (including reasonable attorneys' fees and expenses); and (iii) the Indemnifying Party shall remain responsible for any adverse consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of or caused by the Third Party Claim to the fullest extent provided in this Article 9.

9.6 Release. If the Closing occurs, the Stockholders shall have no rights, hereunder or otherwise, to indemnification or contribution from the Company with respect to any matter based on events or circumstances occurring or arising prior to the Closing, including, without limitation, any inaccuracy in or breach of any representation or warranty of Company made in or pursuant to this Agreement, or any breach or non-fulfillment of any covenant or obligation of

Company contained in this Agreement. Each Stockholder, on behalf of himself or herself and each of his or her heirs, successors and assigns (the "RELATED PERSONS"), hereby unconditionally remises, releases and forever discharges Company, the Surviving Corporation, Bentley and Merger Sub and each of their respective individual, joint or mutual, past, present and future officers, directors, employees, agents, Affiliates, stockholders, controlling persons, parent corporations, subsidiaries, successors and assigns (individually, a "Releasee" and collectively, "RELEASEES") from any and all manner of actions, causes of action, suits, claims, counterclaims, demands. proceedings, orders, obligations, contracts, agreements, promises, covenants, defenses, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which either such Stockholder or any of his or her respective Related Persons now has, have ever had or may hereafter have against the respective Releasees arising contemporaneously with or prior to the Closing or on account of or arising out of any matter, cause or event occurring contemporaneously with or prior to the Closing, including, but not limited to, any rights under federal or state securities laws and any rights to indemnification or reimbursement from Company, whether pursuant to its organizational documents, contract or otherwise and whether or not relating to claims pending on, or asserted after, the Closing Date; provided, however, that nothing contained herein shall operate to release any obligations of the Releasees specifically arising under this Agreement or any Collateral Documents. Each Stockholder hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced, any proceeding of any kind against any Releasee, based upon any matter purported to be released by this Section 9.6.

ARTICLE 10

MISCELLANEOUS

10.1 Parties Obligated and Benefited. This Agreement shall be binding upon the Parties and their respective assigns and successors in interest and shall inure solely to the benefit of the Parties and their respective assigns and successors in interest, and no other Person shall be entitled to any of the benefits conferred by this Agreement. Without the prior written consent of the other Party, no Party may assign this Agreement or the Collateral Documents or any of its rights or interests or delegate any of its duties under this Agreements or the Collateral Documents; provided, however, that Bentley may assign this Agreement and the Collateral Documents or any of its rights or interests or delegate any of its duties hereunder or thereunder to an Affiliate; provided, however, that any such assignment or delegation shall not release Bentley from any of its obligations hereunder or thereunder.

10.2 Expenses. Bentley shall pay for all costs and expenses incurred by it and Merger Sub in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement (including, without limitation, the fees and expenses of financial advisors, accountants and legal counsel). The Company shall pay (a) the reasonable fees and expenses of its financial advisors, accountants and legal counsel (collectively, "PROFESSIONAL FEES"), which legal counsel may also represent the Stockholders as a group, incurred by the Company in connection with this Agreement, the Merger and the other transactions contemplated by this

Agreement (including, without limitation, the issuance of the Bentley Securities), up to a maximum of $70,000, and (b) all costs and expenses other than the Professional Fees incurred by it in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement. Any and all Professional Fees incurred by the Company in excess of $70,000 shall be borne by the Stockholders personally (and not by the Company). The limitations set forth in this Section 10.2 shall supercede the provisions of Section 6.1 of the Securities Purchase Agreement. Except as specifically noted in this Section 10.2, the Stockholders shall pay for all costs and expenses incurred by them in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement (including, without limitation, the fees and expenses of financial advisors, accountants and legal counsel).

10.3 Notices. Any notices and other communications required or permitted hereunder shall be in writing and shall be effective upon delivery by hand or upon receipt if sent by certified or registered mail (postage prepaid and return receipt requested) or by a nationally recognized overnight courier service (appropriately marked for overnight delivery) or upon transmission if sent by facsimile (with request for immediate confirmation of receipt in a manner customary for communications of such respective type and with physical delivery of the communication being made by one or the other means specified in this Section as promptly as practicable thereafter). Notices shall be addressed as follows:

(a) If to Bentley, Merger Sub or the Surviving Corporation, to:

Bentley Systems, Incorporated
685 Stockton Drive
Exton, PA 19341
Attn: David G. Nation, Esquire,
Senior Vice President and General Counsel
Telecopier: 610-458-3181

(b) If to the Company before the Closing Date, to:

Gabriel Norona
c/o Geopak Corporation
1190 N.E. 163rd Street
North Miami Beach, FL 33162
Attn: Francisco Norona, President
Telecopier: 305-948-6290

with a copy to:

Norman Malinski, P.A.
20803 Biscayne Boulevard
Suite 200
Aventura, FL 33180
Attn: Norman Malinski, Esquire
Telecopier: (305) 937-4261

(c) If to the Stockholders before or after the Closing Date, to:

Gabriel Norona
c/o Geopak Corporation
1190 N.E. 163rd Street
North Miami Beach, FL 33162
Telecopier: 305-948-6290

With a copy to:

Norman Malinski, P.A.
20803 Biscayne Boulevard
Suite 200
Aventura, FL 33180
Attn: Norman Malinski, Esquire
Telecopier: (305) 937-4261

Any Party may change the address to which notices are required to be sent by giving notice of such change in the manner provided in this Section.

10.4 Headings. The Article and Section headings of this Agreement are for convenience only and shall not constitute a part of this Agreement or in any way affect the meaning or interpretation thereof.

10.5 Choice of Law; Exclusive Jurisdiction.

(a) This Agreement and the rights of the Parties under it shall be governed by and construed in all respects in accordance with the laws of the State of Delaware, without giving effect to any choice of law provision or rule (whether of the State of Delaware or any other jurisdiction that would cause the application of the laws of any jurisdiction other than the State of Delaware).

(b) Each party hereto irrevocably and unconditionally consents and submits to the non-exclusive jurisdiction of the courts of the State of Delaware and of the United States of America located in the State of Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby, and further agrees that service of any process, summons, notice or document by U.S. registered or certified mail to

the Company or Bentley, as the case may be, at the addresses set forth in Section 10.3 hereof, shall be effective service of process for any action, suit or proceedings brought against such party in such court. Each party hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby, in the courts of the State of Delaware located in Wilmington, Delaware or the United States of America located in Wilmington, Delaware, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in any inconvenient forum.

10.6 Rights Cumulative. All rights and remedies of each of the Parties under this Agreement shall be cumulative, and the exercise of one or more rights or remedies shall not preclude the exercise of any other right or remedy available under this Agreement or applicable law.

10.7 Further Actions. The Parties shall execute and deliver to each other, from time to time at or after Closing, for no additional consideration and at no additional cost to the requesting party, such further assignments, certificates, instruments, records, or other documents, assurances or things as may be reasonably necessary to give full effect to this Agreement and to allow each party fully to enjoy and exercise the rights accorded and acquired by it under this Agreement.

10.8 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.

10.9 Entire Agreement. This Agreement (including the Exhibits, Schedules and any other documents, instruments and certificates referred to herein, which are incorporated in and constitute a part of this Agreement) contains the entire agreement of the Parties and supersedes all prior oral or written agreements, understandings and representations to the extent that they relate in any way to the subject matter hereof, including the Letter of Intent.

10.10 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Parties. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder shall be valid unless the same shall be in writing and signed by the Person against whom its enforcement is sought, and no such waiver whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

10.11 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires

otherwise. The word "including" shall mean "including without limitation." The Parties intend that each representation, warranty, covenant and condition contained herein shall have independent significance. If any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty or covenant.

10.12 Disclosure. The terms of this Agreement and the Collateral Documents are confidential and no Party shall disclose to any Person such existence or terms without the prior written consent of the other Parties, except that (i) Bentley may make such disclosure without the consent of any other Party at any time following the Closing, (ii) any Party may make such disclosure as is required (in the opinion of its counsel) by applicable law, and (iii) any Party may make such disclosure to its Representatives and lenders who agree to keep the terms of this Agreement and the Collateral Documents strictly confidential. Each of the Parties will be responsible for any damages resulting from the unauthorized disclosure of the existence or terms of this Agreement or the Collateral Documents by it or its respective Representatives.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the day and year first above written.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

David G. Nation,
Senior Vice President

GP ACQUISITION SUB, INC.

By: /s/ David G. Nation

David G. Nation,
Senior Vice President

GEOPAK CORPORATION

By: /s/ Francisco Norona

Francisco Norona,
President

STOCKHOLDERS:

/s/ Gabriel Norona

Gabriel Norona

/s/ Francisco Norona

Francisco Norona

/s/ Richard D. Bowman

Richard D. Bowman

/s/ Andrew Panayotoff

Andrew Panayotoff

/s/ Orestes Norat

Orestes Norat

/s/ Robert Cormack

Robert Cormack

[Signature page 1 of 1 to Merger Agreement]

Exhibit List

Exhibit 1: DGCL Certificate of Merger
Exhibit 2: FBCA Articles of Merger
Exhibit 3: Opinion of Company's Counsel
SCHEDULE A: Addressees
SCHEDULE B: Authorized Capital Stock of the Company
Exhibit A: Material Agreements

EXHIBIT 2.4

STOCK PURCHASE AGREEMENT

AMONG

BENTLEY SYSTEMS, INCORPORATED,

9090-0952 QUEBEC INC.

("QUEBECCO"),

9090-0960 QUEBEC INC.

("NEWCO"),

HMR INC.,

INNOVATECH

AND

THE STOCKHOLDERS

DATED

APRIL 26, 2000

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(continued)

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made this 26th day of April, 2000 among Bentley Systems, Incorporated, a Delaware corporation with an address of 690 Pennsylvania Drive, Exton, Pennsylvania, 19341, USA ("Bentley" or "Buyer"), 9090-0960 Quebec Inc., a company formed under the laws of the Province of Quebec, Canada ("Newco"), 9090-0952 Quebec Inc., a company formed under the laws of the Province of Quebec, Canada ("QuebecCo"), HMR Inc., a company formed under the laws of the Province of Quebec, Canada, with an address of 1924 Avenue du Cheminot, Beauport, Quebec, Canada G1E 4MI ("HMR" or the "Company"), Societe Innovatech Quebec et Chaudiere Appalaches ("Innovatech"), and the holders of the remaining outstanding shares of the capital stock of the Company ("Shares") whose names are set forth on Schedule 1 attached hereto (the persons listed on Schedule 1 hereafter called "Stockholders" and, individually, a "Stockholder").

WHEREAS, the Company is engaged in the development, distribution and licensing of computer software; and

WHEREAS, Bentley is the owner of 11,334 Class A Shares of the Company, representing 25% of the Company's outstanding Class A Shares and Innovatech and the Stockholders collectively own 34,000 Class A Shares representing 75% of the Company's outstanding class A Shares, 900,000 Class B Shares and 3,766 Class D Shares of the Company.

WHEREAS, QuebecCo is a direct wholly-owned subsidiary of Bentley and Newco is an indirect wholly-owned subsidiary of Bentley;

(DELETION)

WHEREAS, the parties hereto desire to provide for the sale by (a) Innovatech of all of its shares in the capital of the Company to Bentley in exchange for Class B common stock of Bentley ("Buyer Stock") and (b) the Stockholders of all of their shares in the capital of the Company to Newco in exchange for Exchangeable Shares, which shall constitute the economic equivalent of shares of Class B common stock of Bentley ("Buyer Stock"); and

WHEREAS, the Exchangeable Shares shall give the holders thereof all of the economic benefits of Buyer Stock, as if such holders held shares of Buyer Stock;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I. CERTAIN DEFINITIONS

Section 1.1 "Affiliate" of a person shall mean a person who or which is Controlled by, Controls or is under common Control with, such person.

Section 1.2 "Agent" shall mean Stylianos Camateros who is hereby appointed by Innovatech and the Stockholders to act as their agent. Copies of all correspondence and notices addressed to the Agent (acting in such capacity) shall also be sent to Mr. Paul Grenier at the address set forth in Section 11.3. The Agent shall forward to Innovatech and the Stockholders all correspondence addressed to him by HMR or Bentley in his capacity as agent and all such correspondence shall be deemed to have been received by Innovatech and the Stockholders upon receipt thereof by the Agent. Upon written notice given to HMR and Bentley, Innovatech and the Stockholders may, by a vote of Innovatech and those Stockholders holding a majority of the Shares held by Innovatech and the Stockholders, designate another Stockholder as the Agent.

Section 1.3 "Business" shall mean the business of development, distribution and license of computer software carried on by the Company.

Section 1.4 "Capital Lease" shall mean any lease which is required to be capitalized on a balance sheet of the lessee in accordance with generally accepted accounting principles.

Section 1.5 "Capitalized Lease Obligations" shall mean the aggregate amount which, in accordance with Canadian generally accepted accounting principles, is required to be reported as a liability on the balance sheet of HMR at such time in respect of HMR's interest as lessee under a Capital Lease.

Section 1.6 "Control" shall mean either (1) (i) holding 50% or more of the outstanding voting securities (including therein securities which upon conversion entitle the holder thereof to vote on the election of directors or persons fulfilling similar functions) of a corporation, or (ii) in the case of an entity that has no voting securities, having the right to 50% or more of the profits of the entity, or having the right in the event of dissolution to 50% or more of the assets of the entity; or (2) having the contractual power to designate 50% or more of the directors of a corporation, or in the case of unincorporated entities, of individuals exercising similar functions. "Controlled" and "Controlling" shall have a concomitant meaning.

Section 1.7. "Guaranty", with respect to any Person shall mean all obligations of such Person guaranteeing or in effect guaranteeing any Indebtedness, dividend or other obligation or investment of any other Person, in any manner, whether directly or indirectly, including obligations incurred through an agreement, contingent or otherwise, by such Person (a) to purchase such Indebtedness, obligation or investment or any property or assets constituting security therefor; (b) to advance or supply funds (i) for the purchase or payment of such Indebtedness, obligation or investment or (ii) to maintain working capital or equity capital, or otherwise to advance or make available funds for the purchase or payment of such Indebtedness, obligation or investment; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of such Indebtedness, obligation or investment of the ability of the primary obligor to make payment of such Indebtedness, obligation or investment; or (d) otherwise to assure the owner of such Indebtedness, obligation or investment against loss in respect thereof.

Section 1.8 "Indebtedness", with respect to any Person, shall mean all items (other than capital stock, capital surplus, retained earnings and deferred credits), which in accordance with Canadian generally accepted accounting principles would be included in determining total liabilities of such Person as shown on the liability side of a balance sheet of such Person as at the date on which Indebtedness is to be determined. The term "Indebtedness" shall also include, whether or not so reflected (a) indebtedness, obligations and liabilities secured by any Lien on Property of such Person whether or not the indebtedness secured thereby shall have been assumed by such Person, (b) all obligations in respect of Capital Leases and (c) all Guaranties of any of the above.

Section 1.9 "Indebtedness for Money Borrowed", with respect to any Person, shall mean and include the aggregate amount of, without duplication: (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments, and all reimbursement or other obligations of such Person in respect of letters of credit, bankers' acceptances, interest rate swaps or other financial products; (c) all obligations of such Person to pay the deferred purchase price of assets or services, exclusive of trade payables which, by their terms, are due and payable within ninety (90) calendar days of the creation thereof; (d) all Capitalized Lease Obligations of such Person; (e) all obligations or liabilities of others secured by a Lien on any asset owned by such Person, irrespective of whether such obligation or liability is assumed, to the extent of such obligation or liability; and (f) any Guaranties of such Person of any Indebtedness for Money Borrowed of another Person.

Section 1.10 "Investment" shall mean as applied to any Person (a) any direct or indirect purchase or other acquisition by such Person of stock or other securities of or any partnership interest in any other Person, or (b) any direct or indirect loan (including, without limitation, any guaranties), advance or capital contribution by such Person to any other Person, including all Indebtedness and accounts receivable from such other Person which are not current assets or did not arise from sales to such other Person in the ordinary course of business, and (c) any direct or indirect purchase or other acquisition by such Person of any assets other than assets used in the ordinary course of business.

Section 1.11 "Lien" shall mean, any interest in property securing an obligation owed to any Person other than the owner of the property, or a claim to have any interest in property securing an obligation by any Person, whether such interest shall be based on the Civil Code of Quebec or any other statute or on a contract, whether or not such interest shall be recorded or published or perfected and whether or not such interest shall be contingent upon the occurrence of some future event or events or the existence of some future circumstance or circumstances, and including the lien or security interest arising from a mortgage, hypothecation, security agreement, priority, encumbrance, pledge, adverse claim or charge, conditional sale or trust receipt, or from a lease, tender and deposit, consignment or bailment for security purposes.

Section 1.12 "Material Adverse Effect" shall mean a material adverse effect on the business, earnings, properties, or condition (financial or other) of the Company (including its Subsidiaries); provided that, for there to be a Material Adverse Effect it shall be necessary that there be an actual loss, claim, liability or damage.

Section 1.13 "Person" shall mean any individual, company, legal person, corporation, partnership, entity, joint venture, association, joint stock company, trust, estate, unincorporated organization or government (or any agency or political subdivision thereof).

Section 1.14 "Software" shall mean (i) the software program "Descartes" and derivative works thereof and successor technologies thereto developed by or for HMR and (ii) any other software or intellectual property rights (including, but not limited to, patents, copyrights, trademarks or trade secrets) developed by or for HMR and useful in the CAD/CAMJCAE/CIS MAPPING/AM/FM markets (as defined by Daratech, Inc. of Cambridge, MA).

Section 1.15 "Subsidiary" shall mean any corporation 50% of the outstanding shares of voting stock or similar interest of which are owned, directly or indirectly, by HMR. References to the "Subsidiary" shall be references to HMR USA, Inc., a wholly-owned Delaware Subsidiary.

ARTICLE II. THE ACQUISITION

Section 2.1 Purchase and Sale of Shares. On the terms, provisions and conditions set forth herein, and in reliance upon the warranties and representations contained herein, Newco shall purchase and Innovatech and the Stockholders shall sell, transfer and assign to Newco, in the proportions set forth in Schedule 2.1, all of the Shares.

Section 2.2 Purchase Price. The aggregate purchase price for the Shares (the "Purchase Price") shall be payable by the issuance by Bentley to Innovatech of an aggregate of 40,274 shares of Buyer Stock and by Newco to the Stockholders of an aggregate of 221,318 Exchangeable Shares, to be issued and delivered to the individual Stockholders in the proportions set forth in Schedule 2.1, provided that in the event that Schedule 2.1 provides for the issuance of fractional shares, the number of Exchangeable Shares to be issued will be rounded upwards to the next highest whole number.

Section 2.3 Agreements. At Closing (i) each of Bentley or Newco, as the case may be, shall pay the Purchase Price to Innovatech and to the Stockholders and (ii) Buyer, Newco and the Stockholders shall enter into a support agreement (the "Support Agreement") on mutually satisfactory terms.

Section 2.4 Capitalization of Company. At closing, the Articles of Newco shall provide for authorized capital consisting of (i) a class of voting common shares, all of the issued and outstanding shares of which shall initially be held by QuebecCo and (ii) a class of non-voting preferred shares (the "Exchangeable Shares") having the rights, privileges, restrictions and conditions set forth in Annex C (the "Exchangeable Share Provisions"), each share of which shall (A) entitle the holder thereof to dividend rights equal to the per share dividend rights of Buyer Stock, (B) subject to the Liquidation Call Rights, entitle the holder on liquidation of Newco to receive in exchange for each Exchangeable Share one share of Buyer Stock, (C) subject to the Retraction Call Right, entitle the holder, at his election at any time and from time to time for a period commencing on the Closing Date and ending on December 31,

2002, upon thirty days written notice given by such holder to Newco, to require Newco to redeem all of the holder's Exchangeable Shares and to exchange the same, on a share for share basis, for shares of Buyer Stock (the "Right of Retraction") and (D) subject to the Redemption Call Right, entitle Newco to redeem on the "Automatic Redemption Date", as defined in the Exchangeable Share Provisions, the outstanding Exchangeable Shares and to exchange the same, on a share-for-share basis, for the shares of Buyer Stock.

Section 2.5 Rights and Obligations of Buyer, QuebecCo and Holders of Exchangeable Shares.

The terms and conditions of the Liquidation Call Right, Retraction Call Right and Redemption Call Right are set forth in Annex D hereto and made a part hereof.

Section 2.6 Section 85 Elections. Newco and the Stockholders agree to jointly elect in prescribed form and within the prescribed time under subsection 85(1) of the Income Tax Act (Canada) and relevant provisions of any applicable provincial legislation at the respective amounts selected by each Stockholder to be the proceeds of disposition and the cost of the Shares sold hereunder. Newco will also collaborate with the Stockholders for any late election made by a Stockholder under the foregoing provisions.

ARTICLE III. THE CLOSING

Section 3.1 Time; Location. Subject to the conditions contained herein, the closing shall be held on April 26, 2000 at 10:00 a.m., local time, (the "Closing Date") at the offices of Heenan Blaikie Aubut, Quebec, QUE, or at such other time and place as the parties agree (the "Closing").

Section 3.2 Innovatech Documents. At Closing, Innovatech shall execute and deliver or cause to be executed and delivered to Bentley free and clear of all Liens, certificates representing its respective Shares, each of which shall be duly endorsed share certificates or other instruments, as the case may be, representing the number of Shares being exchanged for Buyer Stock.

Section 3.3 Stockholder Documents. At Closing, each Stockholder shall execute and deliver or cause to be executed and delivered to Newco free and clear of all Liens, certificates representing his or its respective Shares, each of which shall be duly endorsed share certificates or other instruments, as the case may be, representing the number of Shares being exchanged for Exchangeable Shares.

Section 3.4 Bentley Documents. At Closing, Bentley shall deliver to Innovatech and Newco shall deliver to each Stockholder certificates representing the number of shares of Buyer Stock or Exchangeable Shares, as the case may be, due to each Stockholder pursuant to Section 2.1 hereof and such shares of Buyer Stock or Exchangeable Shares shall be duly authorized, validly issued, fully paid, non-assessable and free and clear of all Liens.

Section 3.5 [Reserved]

Section 3.6 Employment Agreement at Closing. At Closing, Stylianos Camateros ("Camateros") shall enter into an Employment Agreement with the Company on terms mutually agreeable to them.

Section 3.7 Employee Stock Options. As of the Closing, Bentley shall grant 50,000 stock options to certain key employees of the Company (the "Key Employees") as agreed to by Bentley and Mr. Camateros. The stock options shall be granted to the Key Employees upon the terms and conditions applicable under the Bentley Systems, Incorporated 1997 Stock Option Plan, as amended.

Section 3.8 Stock Legend.

(a) All certificates representing Exchangeable Shares (the "Certificates") shall bear the following legends (and/or legends to the same effect in French if required by applicable law):

> "This certificate is held subject to a Stock Purchase Agreement (including the Annexes thereto) among Newco (the "Company"), its Stockholders and Bentley Systems, Incorporated and this certificate and the shares in the capital of the Company represented hereby are transferable only in accordance with the terms, conditions and restrictions of such agreement, copy of which is on file at the principal office of the Company. All transfers of stock shall be void unless made in compliance with such agreement.

Newco and the Stockholders shall cause such legend to be affixed on the Certificates simultaneously with the execution of this Agreement.

(b) The certificates representing shares of Buyer Stock shall bear an appropriate legend describing restrictions on resale under applicable securities laws.

Section 3.9 Liens. The Stockholders will not subject any of their Exchangeable Shares to any Lien and will not dispose thereof, except in accordance with the Exchangeable Share Provisions.

ARTICLE IV. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY, INNOVATECH AND THE STOCKHOLDERS

The obligations of the Company, Innovatech and the Stockholders hereunder are subject to fulfillment at or prior to the Closing of each of the following conditions:

Section 4.1 Accuracy of Representations and Warranties. The representations and warranties of Bentley contained in this Agreement shall have been true and correct on the date hereof and shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

Section 4.2 Performance of Agreement. Bentley shall have performed all obligations and agreements and complied with all covenants and conditions contained in this Agreement to be performed or complied with by it at or prior to the Closing Date.

Section 4.3 [Reserved]

Section 4.4 Injunction. On the Closing Date, there shall be no injunction, writ, preliminary restraining order or any order of any nature in effect issued by a court of competent jurisdiction directing that the transactions provided for herein, or any of them, not be consummated as herein provided and no suit, action, investigation, inquiry or other legal or administrative proceeding by any governmental body or other Person shall have been instituted or threatened which questions the validity or legality of the transactions contemplated hereby or which if successfully asserted might otherwise have an adverse effect on the conduct of the Business or impose any additional financial obligation on, or require the surrender of any right by, the Company or the Stockholders.

Section 4.5 Opinion of Counsel. The Company, Innovatech and the Stockholders shall have received the favorable opinion of Schnader Harrison Segal & Lewis LLP (supplemented, to the extent necessary, by the legal opinion of Goodman Phillips & Vineberg, Canadian counsel for Bentley and Newco), in form mutually satisfactory to the parties.

Section 4.6 Actions and Proceedings. All corporate actions, proceedings, instruments and documents required to carry out the transactions contemplated by this Agreement or incidental thereto and all other related legal matters shall be satisfactory to counsel for the Company, Innovatech and the Stockholders, and such counsel shall have been furnished with such certified copies of such corporate actions and proceedings and such other instruments and documents as it shall have reasonably requested.

Section 4.7 Governmental Approvals. All required governmental approvals or consents, if any, shall have been obtained. The parties shall cooperate in obtaining any such approvals or consents.

Section 4.8 Due Diligence. The Company, Innovatech and the Stockholders shall have completed their business and legal due diligence review of Bentley, and the results of such review shall not have revealed any facts, circumstances, documents, agreements, arrangements, conditions or events unsatisfactory to the Company and the Stockholders in their reasonable discretion.

Section 4.9 Agreements. Bentley and Newco shall have entered into the Support Agreement.

ARTICLE V. CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BENTLEY AND NEWCO

The obligations of Bentley and Newco hereunder are subject to the fulfillment at or prior to the Closing of each of the following conditions:

Section 5.1 Accuracy of Representations and Warranties. The representations and warranties of the Company, Innovatech and the Stockholders contained in this Agreement shall have been true and correct on the date hereof and shall be true and correct on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date.

Section 5.2 Performance of Agreement. The Company, Innovatech and the Stockholders shall have performed all obligations and agreements and complied with all covenants and conditions contained in this Agreement to be performed or complied with by them at or prior to the Closing Date.

Section 5.3 [Reserved]

Section 5.4 Agreements. Camateros shall have executed and delivered his Employment Agreement, and the Stockholders shall have entered into the Support Agreement.

Section 5.5 Injunction. On the Closing Date, there shall be no injunction, writ, preliminary restraining order or any order of any nature in effect issued by a court of competent jurisdiction directing that the transactions provided for herein, or any of them, not be consummated as herein provided and no suit, action, investigation, inquiry or other legal or administrative proceeding by any governmental body or other Person shall have been instituted or threatened which questions the validity and legality of the transactions contemplated hereby.

Section 5.6 Opinion of Counsel. Bentley shall have received the favorable opinion of Heenan Blaikie Aubut, counsel for the Company and the Stockholders, in form mutually satisfactory to the parties.

Section 5.7 Actions or Proceedings. All corporate actions, proceedings, instruments and documents required to carry out the transactions contemplated by this Agreement or incidental thereto and all other related legal matters shall be reasonably satisfactory to counsel for Bentley and Newco, and such counsel shall have been furnished with such certified copies of such corporate actions and proceedings and such other instruments and documents as it shall have reasonably requested.

Section 5.8 Governmental Approvals. All required governmental approvals or consents, if any, shall have been obtained. The parties shall cooperate in obtaining any such approvals or consents.

Section 5.9 License Agreement. The Company and Groupe Hauts-Monts, Inc. shall have entered into a License Agreement on terms mutually satisfactory.

Section 5.10 Due Diligence. Bentley shall have completed its business and legal due diligence review of the Company, and the results of such review shall not have revealed any facts, circumstances, documents, agreements, arrangements, conditions or events unsatisfactory to Bentley in its reasonable discretion.

ARTICLE VI . REPRESENTATIONS AND WARRANTIES
OF THE COMPANY

Simultaneously with the execution of this Agreement, the Company hereby makes the following representations and warranties to Bentley and Newco:

Section 6.1 Organization and Authority.

(a) The Company:

(i) is a corporation duly incorporated and/or organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(ii) has all requisite power and authority (corporate and other) to own, lease, operate or otherwise hold its properties, to conduct its business as currently conducted as currently proposed to be conducted; and

(iii) if applicable, to the knowledge of the Company, is duly licensed or qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which the failure to so qualify would have a Material Adverse Effect (provided that, as to the Company, the foregoing representation is limited to Canada and its Provinces).

(b) The Subsidiary:

(i) is a corporation duly incorporated and/or organized, validly existing and in good standing under the laws of the State of Delaware;

(ii) has all requisite power and authority (corporate and other) to own, lease, operate or otherwise hold its properties, to conduct its business as currently conducted and as currently proposed to be conducted; and

(iii) is duly licensed or qualified to do business as a foreign corporation and, to the knowledge of the Company, is in good standing in the States of Delaware and Maryland.

(c) True, complete and accurate copies of the articles of incorporation and bylaws Company and each Subsidiary are attached as Schedule 6.1.

Section 6.2 Capital Stock. On the date hereof, the authorized capital of the Company consists of (i) an unlimited number of Class A, Class B and Class C Shares and (ii) 4,500 Class D Shares. On the date hereof, there are 45,334 Class A Shares, 900,000 Class B Shares and 3,766 Class D Shares issued and outstanding, which are owned of record and beneficially by Innovatech and the Stockholders and Bentley (as to 11,334 Class A Shares). There are no unpaid dividends other than accrued and unpaid dividends on Class B Shares or

Class D Shares. On the date hereof the authorized capital of each Subsidiary is as set forth on Schedule 6.2 attached hereto and there is issued and outstanding such number of shares of any class as is set forth on Schedule 6.2, all of which are owned by the Company. All outstanding shares in the capital of the Company and the Subsidiaries have been duly authorized, validly issued and are fully paid, nonassessable and free of pre-emptive rights. There are no options, warrants, calls or other rights, agreements or commitments relating to the purchase from or issuance by the Company or any Subsidiary of any shares of its capital stock, including any right of conversion (except for rights of conversion relating to the Class D Shares) or exchange, actually or contingently, under any outstanding security or other instrument. Except for any required Board and shareholders' approvals (which approvals have been obtained), no further approval or authority of the Company's shareholders or Board of Directors will be required for the sale of the Shares contemplated herein. Except as set forth in Schedule 6.2 hereto, there are no voting trusts, escrow agreements or other agreements or understandings with respect to the voting, ownership, control, dividend rates or disposition of any shares of the Company.

Section 6.3 Contravention; Validity.

(a) The execution, delivery and performance by the Company of this Agreement and each of the other documents and agreements related to any of the foregoing, the consummation by the Company of the transactions contemplated hereby and thereby and compliance by the Company with all of the provisions of this Agreement will not with or without the giving of notice, the passage of time or both, (i) to the Company's knowledge, result in any breach or violation of, or conflict with, any Canadian statute or Canadian law (including any judicial decision), or result in any breach or violation of, or conflict with, any judgment, writ, injunction, order, Canadian rule, award, decree or Canadian regulation of any court, Canadian governmental authority or arbitration board or other tribunal; (ii) except as set forth in Schedule 6.3, violate or result in any breach of any of the provisions of, or constitute a default under, give rise to a right of termination or cancellation of, or accelerate the performance (collectively, a "Breach") required by any terms of, as the case may be, any indenture, mortgage, agreement, lease, license, note, permit, franchise, contract, deed of trust or other instrument to which Company, any Subsidiary or any of their properties is a party or by which it or any of their properties may be bound, or result in the creation of any Lien upon any of the properties, or assets owned the Company, any Subsidiary or any of their properties, which Breach would have a Material Adverse Effect; or (iii) violate or conflict with any provision of the articles of incorporation, the by-laws, or other governing agreement of the Company or any Subsidiary.

References to "Canada" in this Agreement shall include the federal government of Canada, Canada's Provinces and any political subdivisions thereof and any successor or successors to the foregoing.

(b) This Agreement has been duly and validly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 6.4 Consents. The execution, delivery and performance of this Agreement, and all other documents and agreements related hereto have been duly authorized by all necessary corporate action on the part of the Company and do not and will not require any consent or approval of any Person (excluding, however, from the definition of "Person" any governmental entities or any authorization, consent or approval by or registration, qualification, declaration or filing with, or notice to any Canadian, state, provincial, municipal or other Canadian governmental body, official, department, commission, board, bureau, agency or instrumentality, domestic or foreign, other than any such consents or approvals which the failure to so obtain would not have a Material Adverse Effect. To the knowledge of the Company, each of the Company and the Subsidiaries has obtained all consents, approvals, licenses, franchises, permits, waivers, registrations or authorizations of, made all declarations or filings with, and given all notices to (collectively, "approvals"), all Canadian, state provincial, or local governmental or public authorities or agencies which are necessary for the continued conduct by the Company and each Subsidiary of its respective businesses as now conducted or as proposed to be conducted. All approvals are held free from burdensome restrictions or material conflicts with the rights of others.

Section 6.5 Subsidiaries and Partners. The Company has no Subsidiaries other than those Subsidiaries set forth in Schedule 6. 5 hereto. Except as set forth in Schedule 6.5 hereto, the Company does not own, directly or indirectly, more than 1% of the total outstanding capital stock of any class of any corporation and does not, directly or indirectly, exercise Control or have the ability, directly or indirectly to exercise Control, over any Person. Schedule 6.5 correctly sets forth as to each Subsidiary its name and the jurisdiction of its incorporation. Except as set forth in Schedule 6.5, all of the outstanding shares of the capital stock of each class of each Subsidiary have been duly and validly authorized and issued and are fully paid and nonassessable and are owned, beneficially and of record, by the Company free and clear of any Liens. Except as set forth in Schedule 6.5, there is no outstanding right, warrant, option, call or other agreement or commitment of any kind to purchase or issue the capital stock or any other equity interest of any of the Subsidiaries and there is no outstanding security of any kind convertible into capital stock or any other equity interest of any of the Subsidiaries.

Section 6.6 Financial Statements. The Company has furnished to Bentley and Newco complete and accurate copies of (i) audited financial statements of the Company for the two fiscal years ended immediately prior to the Closing Date (the "Audited Statements") and (ii) unaudited financial statements for the 3, 6 or 9 month period, as the case may be, ended immediately prior to the Closing Date (the "Unaudited Statements" and, together with the Audited Statements, the "Financial Statements"), copies of which are attached as Schedule 6.6. The Audited Statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), applied on a consistent basis during the respective periods. The financial results and financial position of the Company, as shown in the Unaudited Statements, are not substantially different from what the Company's financial position and results would have been had the Unaudited Statements been prepared in accordance with GAAP. The Audited Statements are true, correct and complete and present fairly the assets, liabilities, retained earnings, profit and loss and the financial position of the Company as

of such dates and the results of its operations and changes in cash flows for such periods. The Unaudited Statements are substantially true, correct and complete and substantially and fairly present the assets, liabilities, retained earnings, profit and loss and the financial position of the Company as of such dates and the results of its operations and changes in cash flow for such periods. The Company does not have any material obligation or liability, individually or in the aggregate, of the nature required to be disclosed on a balance sheet prepared in accordance with GAAP that is not disclosed by the Audited Statements. Schedule 6.6 sets forth a list and description of all outstanding Indebtedness for Money Borrowed of the Company as of ten (10) days prior to the date of this representation. Except as disclosed in Schedule 6.6, since the date of the most recent Audited Statements delivered to Bentley and Newco pursuant to this Section 6.6 there has not been, occurred or arisen any material adverse change in, or any event, condition or state of facts which materially and adversely affects, or threatens to affect in a material and adverse manner, the business, earnings, prospects, properties or condition (financial or otherwise) of the Company. Since such date, the Company has not directly or indirectly declared, ordered, paid, made or set apart any sum or property for any dividends or other distribution or agreed to do so except as set forth in Schedule 6.6.

Section 6.7 Licenses, Registrations, etc. To the Company's knowledge, the Company and its properties are in compliance with the requirements of all Canadian regulatory agencies and authorities, and no Canadian regulatory agency or authority has taken any action, or threatened to take any action by written notice to the Company to revoke or suspend any approval necessary for the conduct of such business as now conducted and as proposed to be conducted.

Section 6.8 Title to Properties; Leases. Except as disclosed in the Financial Statements and as set forth in Schedule 6.8 and except as disclosed in this Agreement or in the other attached Schedules, each of the Company and the Subsidiaries is the sole owner of, and has good, indefeasible and marketable title free and clear of all Liens to all assets and properties reflected as being owned by it on the Financial Statements, as well as to all assets and properties acquired since the date of the most recent Audited Statements (except property disposed of since such dates in the ordinary course of business), including without limitation the Software. Each of the Company and the Subsidiaries has the right to, and does, enjoy peaceful and undisturbed possession under all leases under which it is leasing property. All such leases are valid, subsisting and in full force and effect and none of such leases is in default on the part of the Company or any Subsidiary nor, to the knowledge of the Company, on the part of any other Person.

Each of the Company and the Subsidiaries has the right (subject to such limitations as may exist under Canadian or Quebec law) to use its corporate name.

Section 6.9 Compliance with Other Instruments, etc. Neither the Company nor any Subsidiary is: (a) in violation of any term of its articles of incorporation, by-laws or other governing agreement; or (b) in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in, and is not otherwise in default under, (i) any evidence of Indebtedness for Money Borrowed or any other evidence of Indebtedness or any instrument or agreement under or pursuant to which any evidence of Indebtedness for Money Borrowed or other evidence of Indebtedness has been issued; or (ii) to the Company's knowledge, any other material instrument or agreement to which it is a party or by which it is bound or any of its properties is affected by it.

Section 6.10 Contracts and Binding Commitments.

(a) Subject to Paragraph (b), the Company has furnished to Bentley and Newco a correct and complete copy, or if none exists, written descriptions of all of the following contracts, agreements or arrangements (in each case, whether written or oral) to which it or a Subsidiary is a party or by which any of its or any Subsidiary's assets or properties are or may be bound (such contracts described in the following Paragraphs (i) through (viii) being referred to as the "Contracts"), as such Contracts may have been amended, modified or supplemented:

(i) All contracts out of the ordinary course of business and not cancelable upon 30 days notice or involving the payment of more than CAN $75,000;

(ii) All contracts or similarly binding arrangements with any Person containing any provision or covenant limiting the ability of the Company or any Subsidiary to engage in any line of business or compete with any Person or limiting the ability of any Person to compete with the Company or any Subsidiary and all Contracts requiring the Company or any Subsidiary to keep information secret or confidential;

(iii) All contracts relating to the borrowing of money, or the direct or indirect Guaranty of any obligation for, or contract to service the repayment of, borrowed money or any other liability in respect of Indebtedness for Money Borrowed of any other Person;

(iv) All contracts relating to the future disposition or acquisition of (A) any Investment in any Person, (B) any interest in any business enterprise or (C) any material interest in property, and all contracts requiring the Company or any Subsidiary to purchase any security, business enterprise or any property;

(v) Each employment or consulting contract or any other arrangement or agreement entered into by the Company or a Subsidiary with an Affiliate;

(vi) Each contract (other than contracts cancelable upon 90 days notice) involving payments of more than CAN $75,000 during its term for the purchase of materials, supplies, property or services;

(vii) All contracts between (x) the Company or any Subsidiary and (y) Affiliates of any director, stockholder, officer, partner or employee of the Company; and

(viii) All other contracts material to the operations of the business of the Company or any Subsidiary.

(b) To the Company's knowledge, and except as set forth in Schedule 6.10, all of the Contracts are valid and binding in all respects and enforceable in accordance with their terms and are in full force and effect. The Company or the Subsidiary, as the case may be, and to the knowledge of the Company, and except as set forth in Schedule 6.10 each other party to the Contracts, has performed in all material respects all obligations required to be performed by them to date, except, in each case, where the failure to so perform would not have a Material Adverse Effect. Neither the Company nor any Subsidiary nor, to the knowledge of the Company, and except as set forth in Schedule 6.10, any other party to any of the Contracts, is in or claimed to be in material breach or default in any respect under any term or provision of any of the Contracts, except where any such breach would not have a Material Adverse Effect. To the Company's knowledge and except as set forth in Schedule 6.10, the execution and implementation of this Agreement will not result in the termination of any of the Contracts under the express terms thereof, will not require the consent of any party thereto and will not bring into operation any other provision thereof nor result in a breach or default thereunder. To the Company's knowledge, and except as set forth in Schedule 6.10, there exists no condition or event which, after notice or lapse of time or both, would constitute a default by the Company. To the best knowledge of the Company, and except as set forth in Schedule 6.10, there exists no condition or event which, after notice or lapse of time or both, would constitute a default by any other party to any of the Contracts.

(c) Neither the Company nor any Subsidiary is a party to or bound by (nor is any of its properties affected by) any contract or agreement, or subject to any order, writ, injunction or decree or other action of any court or any Canadian governmental department, commission, bureau, board or other administrative agency or official, or any charter or other corporate or contractual restriction, which could have a Material Adverse Effect.

Section 6.11 Compliance with Law, etc. To the Company's knowledge, (i) the Company is in full compliance with all Canadian laws and ordinances and all governmental rules and regulations to which it is subject, and (ii) each Subsidiary is in full compliance with all laws and ordinances and all governmental rules and regulations to which it is subject, except, in each case where the failure so to comply could not have a Material Adverse Effect. The Company is not in default with respect to any order, ruling, decision, finding, writ, proceeding, injunction, judgment or decree (collectively, "Order") of any court or any Canadian governmental or public body, department, official, authority or any agency or any arbitrator or arbitration panel, except where such default would not have a Material Adverse Effect. No Subsidiary is in default with respect to any Order of any court or other governmental or public body, department official, authority or agency or any arbitrator or arbitration panel, except where such default would not have a Material Adverse Effect.

Section 6.12 Pending Litigation, etc. There is no claim, action at law, suit in equity or other proceeding or investigation (whether or not purportedly on behalf of or against the Company or any Subsidiary) in any court or by or before any other governmental or public body, department, official authority or agency, or any arbitrator or arbitration panel pending or, to the best knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any of their respective officers, directors, employees, agents or affiliates, or any of their properties that, either individually or in the aggregate, (a) could have a Material Adverse Effect or (b) could question the validity or enforceability of this Agreement.

Section 6.13 Taxes/Pensions/Employee Benefits.

(i) Except as set forth in Schedule 6.13, all returns that are required to be filed (taking into account all extensions) on or before the Closing Date for, by, on behalf of or with respect to the Company (all such returns and reports herein referred to collectively as "Tax Returns" or singularly as a "Tax Return", have been filed with the appropriate taxation authority on or before the Closing Date, and all taxes shown to be due and payable on such Tax Returns or related to such have been paid in full prior to the Closing Date or provision for the payment thereof has been made in the Company's accounts;

(ii) all Tax Returns and the information and data contained therein have been or will be properly and accurately compiled and completed in all respects, fairly present or will fairly present in all respects the information purported to be shown therein, and reflect or will reflect all liabilities for the periods covered by such Tax Returns; Except as set forth in Schedule 6.13, none of such Tax Returns is now under audit or examination by any taxation or other authority and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment or collection of any Tax, and there are no agreements, suits or similar proceedings now pending or, to the knowledge of the Company, threatened against the Company with respect to any Tax, and there are no matters under discussion with any taxation or other authority relating to any Tax, or any claims for any additional Tax asserted by any such authority;

(iii) the Company does not have any liability, obligation or commitment for the payment of Taxes and the Company is not in arrears with respect to any required withholdings or installment payments or any tax of any kind. Neither the Canada Customs and Revenue Agency nor any other taxing authority is now asserting or threatening to assert any deficiency or claim for additional taxes against the Company and there are no disputes as to any taxes payable by the Company;

(iv) the Company is and will not become liable to pay any tax pursuant to Section 183.1 of the Income Tax Act (Canada) in respect of or as a result of the transaction herein contemplated;

(v) the Company has not made any election under Section 85 of the Income Tax Act (Canada) with respect to the acquisition or disposition of any property;

(vi) the Company has not made any election under Sub-Section 83(2) of the Income Tax Act (Canada) with respect to payment out of a capital dividend account;

(vii) the Company has not discontinued carrying on any business in respect of which any non-capital losses were incurred;

(viii) the Company has made all elections required to be made under the Income Tax Act (Canada) in connection with any distributions and all such elections were true and correct and in prescribed form and were made within the prescribed time periods;

(ix) since its date of incorporation, the Company has been a "Canadian-controlled private corporation" within the meaning of the Income Tax Act (Canada);

(x) neither the Company nor its directors, officers of employees are aware of any tax liabilities or any grounds which would prompt a reassessment, including aggressive treatment of income and expenses in filing earlier Tax Returns;

(xi) the Company has not made or been a party to any election under Sections 150(1), 156(1), 227(1) or 273(1) of the Excise Tax Act of Canada;

(xii) the preceding representations and warranties in this Section 6.13 which refer to the Income Tax Act (Canada) are true and correct with respect to the same or equivalent provisions, if any, of the Quebec Taxation Act or any other provincial taxation legislation; and

(xiii) except as disclosed in Schedule 6.13 the Company does not have in effect and has not announced or publicly proposed to have in effect any bonus, deferred compensation, pension, profit sharing, retirement, severance, stock option, group insurance, death benefit, welfare or other employee benefit plan, arrangement or policy whether formal or informal, for the benefit of any of its employees or former employees (each a "Benefit Plan"). Except as disclosed in Schedule 6.13 the Company does not have any commitment, whether formal or informal to create any additional such Benefit Plan. All Benefit Plans disclosed on Schedule 6.13 have been duly registered where required by, and in good standing under, all applicable legislation and the Company has fulfilled its funding obligations under all such plans and no past service funding liabilities exist thereunder. Except as disclosed in Schedule 6.13 each Benefit Plan has been administered materially in with its terms. Except as disclosed in Schedule 6.13 there are no pending investigations by any governmental entity, termination proceedings or other claims (except claims for benefits payable in the normal operation of the Benefit Plans), suits or proceedings against or involving any Benefit Plan or asserting any rights or claims to benefits under any Benefit Plan that could give rise to any material liability.

Section 6.14 Events Since Audited Statements.

(a) Except as set forth in Schedule 6.14, since the last day of the fiscal year to which the most recent Audited Statements relate there has not been:

(i) Any material change in the business policies or practices of the Company or any Subsidiary;

(ii) Any damage, destruction or loss (whether or not covered by insurance) which has had or could reasonably be expected in the judgment of a prudent business person to have a Material Adverse Effect;

(iii) Any Indebtedness for Money Borrowed incurred by the Company or any Subsidiary or any commitment to borrow money entered into or any Guaranty given by the Company or any Subsidiary;

(iv) Any amendments to the articles of incorporation or to the by-laws of the Company or any Subsidiary;

(v) Any change in any method of accounting or accounting practice by the Company or any Subsidiary;

(vi) Any amendment, modification, alteration or termination of any contract, agreement or license to which the Company or any Subsidiary is a party, which could reasonably be expected in the judgment of a prudent business person to have a Material;

(vii) Any waiver of any rights of material value or any cancellation of any material claims, debts or accounts receivable owing to the Company or any Subsidiary;

(viii) Any employment bonus, incentive or deferred compensation agreement or arrangement between the Company or any Subsidiary and an Affiliate, director, officer or other employee or consultant of the Company; or

(ix) Any change in or agreement to change or modify the terms of any stock option, stock plan or any employee benefit plan of the Company or any Subsidiary (if any exist).

Section 6.15 Compliance with Environmental Laws.

To the Company's knowledge, the Company is in compliance with all, and has not violated any, Environmental Laws and the Company is in compliance with all, and has not violated judgments, injunctions, notices or demand letters issued pursuant thereto.

Without restriction as to the generality of the foregoing:

(i) To the Company's knowledge, there are no Hazardous Substances at, or transportation thereof from, any site or facility owned, leased or operated by the Company except in accordance with all applicable Environmental Laws;

(ii) To the Company's knowledge, the Company as secured all Environmental Permits necessary to the conduct of its business and operations;

(iii) The Company has not received any request for information, notice of claim, demand or other notification that it is or may be potentially responsible with respect to any investigation or clean-up of any threatened or actual release of any Hazardous Substance and has not received inquiry or notice nor does it have any reason to suspect or believe it will receive inquiry or notice of any actual or potential proceedings, claims, lawsuits or losses related to or arising under any Environmental Laws;

(iv) To the Company's knowledge, the Company does not own, operate or lease and did not at any previous time own, operate or lease any real (immoveable) property, improvements or related assets wherein PCB's asbestos or urea formaldehyde insulation is or has been present or contained in any;

(v) To the Company's knowledge, the Company has not transported any Hazardous Substance or arranged for the transportation of any such substance to

any location which is not listed and duly authorized pursuant to the Environmental Laws and discharged, disposed;

(vi) The Company has not failed to report to the proper authorities the occurrence of each event which is required to be so reported by the Environmental Laws, and has provided Purchaser with true and complete copies of all such reports and all correspondence relating thereto.

For the purposes hereof:

The expression "Environmental Laws" includes any federal, provincial, state or municipal law, by-law, rule, regulation, decree, code, guideline, standard, order or ordinance of any country or political subdivision relating to the environment including those relating to (i) the control of any potential pollutant or the protection of the air, water or land, (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation, and (iii) exposure to hazardous, toxic or other substances considered to be harmful, or (iv) the release of any Hazardous Substance (as defined below) into the environment; and

The expression "Hazardous Substance" includes any substance, waste, solid, liquid or gaseous matter, petroleum or petroleum derived substance, micro-organism, sound, vibration, ray, heat, odor, radiation, energy vector, plasma, organic or inorganic matter, whether animate or inanimate, transient reaction intermediate or any combination of the above deemed hazardous, hazardous waste, solid waste, toxic or pollutant a deleterious substance, a contaminant or source of pollution or contamination under any Environmental Law, or by any federal, provincial, state or municipal government, governmental agency, minister, deputy-minister, governor-in-council, lieutenant governor-in-council, or any tribunal or board.

Section 6.16 Labor Relations. No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent:

(i) holds bargaining rights with respect to any of the Company's employees by way of certification, interim certification, voluntary recognition, designation or successor rights;

(ii) has applied to be certified as the bargaining agent of any of the Company's employees; or

(iii) has applied to have the Company declared a related employer pursuant to the provisions of applicable law.

There is no unfair labor practice charge or complaint with respect to employees of the Company pending before any agency or board, there is no labor strike, picketing, slowdown or work stoppage or lock out actually pending or, to the Company's knowledge, threatened against or affecting the Company or any of its operations, and the Company has not experienced any strike, slowdown or work stoppage, lock out or other collective labor action by or with respect to its employees, there are no charges with respect to or relating to the Company before any commission, agency or body responsible for the prevention of unlawful employment

practices, the Company has no notice from any federal, provincial, local or other agency responsible for the enforcement of labor or employment laws of an intention to conduct an investigation of the Company or any of its business or employment practices and no such investigation is in progress, and the Company, to its knowledge, is in compliance with all applicable laws relating to employment and employment faces, wages, hours and terms and conditions of employment with respect to employees, eluding part-time employees (if any).

"Company" shall include any Subsidiary for purposes of this Section 6.16.

Section 6.17 Intellectual Property. Attached as Schedule 6.17 is a true, complete and correct schedule which describes all of the patents (including all reissues, divisions, continuations and extensions thereof), applications for patents, patent disclosures docketed, inventions, improvements, trademarks, service marks, trademark and service mark applications, trade names, copyright registrations or applications therefor and proprietary computer software (including the Software) or similar property owned by the Company or any Subsidiary, and all licenses, franchises, permits, authorizations, agreements and arrangements that concern any of the foregoing that concern like items owned by others and used by the Company or any Subsidiary ("Intellectual Property"). Except as indicated on Schedule 6.17, the Intellectual Property is owned by the Company or a Subsidiary free and clear of all Liens whatsoever. Except as indicated on Schedule 6.17, no licenses have been granted with respect to such Intellectual Property. Neither the Company nor any Subsidiary has received notice of any claims by a third party suggesting or asserting that its use of the Intellectual Property or any of its activities in the conduct of its business as presently conducted infringes the Intellectual Property of any third party. Except as set forth on Schedule 6.17, neither the Company nor any Subsidiary has any obligation to pay any royalty to any third party with respect to such Intellectual Property.

Neither the Company, the Subsidiary, any Stockholder, nor any of their employees or agents has or have taken any action or failed to take any action or permitted any third parties to take any actions, which would in any way diminish, impair or affect the Company's rights to, or to fully utilize, the Intellectual Property now or at any time in the future.

Section 6.18 Full Disclosure. None of this Agreement (including all Exhibits and Schedules hereto and any other agreements or documents delivered on the Closing Date), or any written report or Financial Statement delivered or furnished to Bentley by or on behalf of the Company pursuant to or in connection with this Agreement or the transactions contemplated hereby, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. There is no fact known to the Company that has not been disclosed to Bentley in writing that (a) could have a Material Adverse Effect or (b) adversely and materially affects or could have a Material Adverse Effect on the ability of the Company to perform its obligations under this Agreement.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES OF THE STOCKHOLDERS

Simultaneously with the execution of this Agreement, the Stockholders, severally, hereby make the following representations and warranties:

Section 7.1 Validity. This Agreement has been duly and validly executed and delivered by each Stockholder and constitutes the valid and binding obligation of such Stockholder (with respect to his, her or its obligations hereunder), enforceable against such Stockholder in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 7.2 Stock Ownership. On the date hereof, each Stockholder is the owner of record and the beneficial owner of that number of shares set forth opposite his, her or its name in Schedule 2.1 with good and marketable title, free and clear of all Liens.

Section 7.3 Alienability of Shares. The Stockholder, if an individual, has the unfettered right to sell his respective Shares in exchange for Exchangeable Shares.

Section 7.4 Transactions with Affiliates. Except as disclosed in Schedule 7.4, neither the Company nor any Subsidiary is a party to any contract or Agreement with any Affiliate of such Stockholder.

Section 7.5 Full Disclosure.

Each Stockholder, jointly (and not solidarily) represents that:

(a) To the knowledge of each Stockholder, none of this Agreement (including all Exhibits and Schedules hereto and any other agreements or documents delivered on the Closing Date), or any written report or financial statement delivered or furnished to Bentley and/or Newco by or on behalf of the Company or the Stockholders pursuant to or in connection with this Agreement, or the transactions contemplated hereby, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. There is no fact known to the Stockholder that has not been disclosed to Bentley and/or Newco in writing that has or could have a Material Adverse Effect.

(b) To the knowledge of each Stockholder, the representations and warranties of the Company in Article VI (as qualified by the Schedules delivered by the Company) are true, complete and accurate.

Section 7.6 Business Knowledge

(a) Without limiting in any way the representations and warranties given by the Buyer and Newco in this Agreement, the Stockholder (i) can afford to bear the economic risk of holding the unregistered Exchangeable Shares or unregistered Buyer Stock (as the case may be) for an indefinite period of time, has no need for liquidity in any Exchangeable Stock or Buyer Stock (as applicable) he may hold, and has adequate means for providing for the Stockholder's current needs and contingencies, (ii) can afford to suffer a complete loss of the Stockholder's investment in the Exchangeable Shares or Buyer Stock, as applicable, and (iii) understands and has taken cognizance of all risk factors related to the receipt of the

Exchangeable Shares. The Stockholder's overall commitment to investments which are not readily marketable is not disproportionate to his or its net worth and his or its investment in Exchangeable Shares or Buyer Stock, as applicable, will not cause such overall commitment to become excessive. The Stockholder has such knowledge and experience in business and financial matters that he is capable of evaluating Bentley and the activities thereof and the risks and merits of investment in the Exchangeable Shares or Buyer Stock, as applicable, of making an informed investment decision thereon and of protecting his or her interests in connection with the transaction.

(b) The Stockholder (i) is familiar with the business and financial condition, properties, operations and prospects of Bentley, (ii) has received and carefully reviewed and evaluated the Bentley Information Statement, previously delivered to each of them, including the "Risk Factors" set forth therein, and (iii) has been given full access to all material information concerning the condition, properties, operations and prospects of Bentley. The Stockholder has had an opportunity to ask questions of, and to receive information from, Bentley and persons acting on its behalf concerning the terms and conditions of the Stockholder's investment in the Exchangeable Shares and to obtain any additional information necessary to verify the accuracy of the information and data received by the Stockholder. The Stockholder has not been furnished any offering literature other than the Information Statement and the documents attached as exhibits thereto, and the Stockholder has relied or will rely only on the information contained in the Information Statement and its exhibits and such other information as is described in this subparagraph (b), furnished or made available to them by Bentley.

(c) The Stockholder acknowledges that at no time has there been any representation, guarantee or warranty to the Stockholder by any broker-dealer, Bentley, their agents or employees, or any other person, expressly or by implication, concerning any of the following:

(i) the approximate or exact length of time that the Stockholder will be required to retain ownership of Exchangeable Shares or Buyer Stock, as applicable;

(ii) the percentage of profit or amount of, or type of consideration, profit or loss to be realized, if any, as a result of an investment in Exchangeable Shares or Bentley Stock, as the case may be; or

(iii) that the past performance or experience of Bentley will in any way indicate the predictable results of the ownership of Exchangeable Shares or Buyer Stock, as the case may be.

(d) The Stockholder acknowledges that the shares of Bentley Stock are not registered shares and are illiquid.

(e) The Stockholder is relying on its own advisers as to tax and other legal consequences of this transaction.

(f) For the purpose of this Section 7.6 only, the term "Stockholder" includes Innovatech.

Section 7.7 Innovatech Representations. Innovatech hereby represents:

(a) This Agreement has been duly and validly executed and delivered by Innovatech and constitutes the valid and binding obligation of Innovatech with respect to its obligations hereunder, enforceable against Innovatech in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) On the date hereof, Innovatech is the owner of record and the beneficial owner of 3,825 Class A Shares and 3,766 Class D Shares with good and marketable title, free and clear of all Liens.

(c) Neither the Company nor any Subsidiary is a party to any contract or Agreement with any Affiliate of Innovatech.

Section 7.8 Survival. Subject to the second paragraph of this Section 7.8, the representations contained in this Article VII shall survive (i) forever, in the case of Sections 7.1, 7.2, 7.3, 7.6 and 7.7(a) and (b), (ii) until the 18 month anniversary of the Closing Date in the case of all representations (excluding, however, those covered in item (i)), other than Section 7.5(b) insofar as it relates to Section 6.6 and (iii) until the third anniversary of the Closing Date insofar as the representation contained in Section 7.5(b) relates to Section 6.6.

The representations and warranties given by the Stockholders and their obligation to indemnify shall survive only until the Closing in the case of the representation and warranty given according to Section 6.13(x) for periods after 1996 and in the case of all other representations and warranties but only to the extent they may apply to the subject matter covered by Section 6.13(x).

ARTICLE VIII. REPRESENTATIONS AND WARRANTIES AND COVENANTS OF BENTLEY AND NEWCO

Section 8.1 Organization and Authority.

Each of Bentley and Newco:

(i) is a corporation duly incorporated and/or organized, validly existing in good standing under the laws of the jurisdiction of its incorporation; and

(ii) has all requisite power and authority (corporate and other) to own, lease, operate or otherwise hold its properties, to conduct its business as currently conducted and as currently proposed to be conducted.

Section 8.2 Contravention; Validity.

(a) The execution, delivery and performance by Bentley and Newco of this Agreement and each of the other documents and agreements related to any of the foregoing, the consummation by Bentley and Newco of the transactions contemplated hereby and compliance by Bentley and Newco with all of the provisions of this Agreement, will not, with or without the giving of notice, the passage of time or both, (i) result in any breach or violation of, or conflict with, any statute, law (including any judicial decision), or any judgment, writ, injunction, order, rule, award, decree or regulation of any court, governmental authority or arbitration board or other tribunal; (ii) violate or result in any breach of any of the provisions of, or constitute a default under, give rise to a right of termination or cancellation of, or accelerate the performance required by any terms of, as the case may be, any indenture, mortgage, agreement, lease, license, note, permit, franchise, contract, deed of trust or other instrument to which Bentley, Newco or any of their respective properties is a party or by which either of them or any of their respective properties may be bound, or result in the creation of any Lien upon any of the properties or assets owned by Bentley or Newco; or (iii) violate or conflict with any provision of the articles of incorporation, the by-laws, or other governing agreement of Bentley or Newco.

(b) This Agreement has been duly and validly executed and delivered by Bentley and Newco and constitutes the valid and binding obligation of Bentley and Newco, enforceable against each of them in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) Consents. The execution, delivery and performance of this Agreement, and all other documents and agreements related hereto are within Bentley's and Newco's corporate powers, have been duly authorized by all necessary corporate action on the part of Bentley and Newco and do not and will not require any consent or approval of any Person (other than consents or approvals which have been obtained) or any authorization, consent or approval by, or registration, qualification, declaration or filing with, or notice to any U.S. federal, state, municipal or other governmental body, official, department, commission, board, bureau, agency or instrumentality (other than actions and filings that have been taken or made).

Section 8.3 Bentley Financial Statements. Bentley has furnished to the Stockholders and Innovatech (as an Appendix to the Bentley Information Statement dated March 31, 2000 delivered to the Stockholders and Innovatech) complete and accurate copies of audited financial statements of Bentley for the two fiscal years ended December 31, 1999 and 1998 (the 1999 audit being subject to final signature by the auditors) (the "Bentley Financial Statements"). The Bentley Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles, applied on a consistent basis during the respective periods. The Bentley Financial Statements present fairly the assets, liabilities, retained earnings, profit and loss and the financial position of Bentley as of such dates and the results of its operations and changes in cash flows for such periods.

Section 8.4 Full Disclosure. None of this Agreement (including all Exhibits and Schedules hereto and any other agreements or documents delivered on the Closing Date), or any written report or Bentley Financial Statement delivered or furnished to Innovatech or the Stockholders by or on behalf of Bentley pursuant to or in connection with this Agreement or the transactions contemplated hereby, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

Section 8.5 Class B Shares. Except for any rights granted to the holder of Bentley's Series A Preferred Stock, all holders of Class B Shares of Bentley have the same rights in the event of a sale of shares of Bentley.

Section 8.6 Delivery of Financial Statements. Bentley shall furnish to Innovatech and the Stockholders copies of its annual audited financial statements, no later than 30 days following the issuance thereof. Innovatech and the Stockholders shall keep such information confidential at all times.

Section 8.7 Survival. The representations contained in this Article VIII shall survive (i) forever, in the case of Section 8.2(b), (ii) until the 18th month anniversary of the Closing Date in the case of all other representations (except Section 8.3), and (iii) until the third anniversary of the Closing Date in the case of Section 8.3.

Section 8.8 Dividends. Within 30 days after the Closing, Bentley shall cause HMR to pay the accrued and unpaid dividends on the Class B and D shares of HMR through February 29, 2000, in an amount not to exceed CDN$135,000 (Innovatech's share being CDN$47,074)

ARTICLE IX. INDEMNIFICATION

Section 9.1 By the Stockholders. Subject to Section 9.4, each Stockholder shall, jointly (and not solidarily), defend, indemnify and hold Bentley and Newco harmless from and against any losses, liabilities or damages resulting from or arising out of (i) the failure of any representation or warranty of such Stockholder to be true and accurate in all respects as of the date of this Agreement or as of the date when made, as the case may be, and (ii) the failure of such Stockholder to perform any agreement required to be performed by him, her or it under this Agreement.

Section 9.2 By Bentley and Newco. Subject to Section 9.4, Bentley and Newco shall defend, indemnify and hold the Company and the Stockholders harmless from and against any losses, liabilities or damages resulting from or arising out of (i) the failure of any representation or warranty of Bentley to be true and accurate in all respects as of the date of this Agreement, and (ii) the failure of Bentley or Newco to perform any agreement required to be performed by it under this Agreement.

Section 9.3 Procedure.

(a) A party with the obligation to indemnify under Section 9.1 or 9.2 is hereinafter referred to as the "Indemnifying Party". A party indemnified under Section 9.1 or 9.2, as the case may be, is hereinafter referred to as the "Indemnified Party. "

(b) Promptly after receipt by an Indemnified Party of notice of any claim, action, or proceeding with respect to which an Indemnified Party is entitled to indemnity hereunder (a "Claim"), such Indemnified Party will notify the Indemnifying Party of such claim or the commencement of such action or proceeding; provided, however, that the failure of an Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of his or its obligations under this Section with respect to such Indemnified Party, except to the extent that the Indemnifying Party is actually prejudiced by such failure. If the Claim arises out of a claim, action or proceeding made or commenced by a third party against the Indemnified Party, the Indemnifying Party will promptly assume the defense of such Claim, will employ counsel reasonably satisfactory to the Indemnified Party and will pay the fees and expenses of such counsel. The Indemnified Party shall not settle any Claim without the prior written consent of the Indemnifying Party, unless the Indemnifying Party shall have failed to promptly (but in any event not later than 20 days following of receipt of the notice from the Indemnified Party) and fully assume the defense of the Indemnified Party, in which case the Indemnifying Party shall promptly pay the amount of any settlement and all related expenses.

Section 9.4 Limitations. The following limitations shall apply to the foregoing indemnification obligations:

(a) All claims for indemnification arising out of a breach of a representation or warranty shall be made on or before the expiration date of the applicable survival period for such representation or warranty;

(b) All claim for indemnification arising out of the failure to perform an obligation required to be performed under this Agreement shall be made on or before the third anniversary of the date when such agreement was to be performed and completed; and

(c) Neither Bentley, the Stockholders nor Innovatech shall be entitled to indemnification on account of breach or inaccuracy of representations or warranties until the aggregate amount of their respective claims exceeds CDN$275,000 (the "Threshold") but only to the extent that such claims exceed the Threshold. No Threshold shall apply with respect to the representations made in Sections 7.1, 7.2, 7.3, 7.6 and 7.7(a) and (b) and Section 8.1(b). The Threshold shall be reduced by the full amount of any shortfalls, if any, in the Canadian tax credits realized by HMR below the amounts reflected in its financial statements.

(d) In measuring Bentley's damages, account shall be taken of Bentley's 25% ownership of HMR's Class A shares prior to the Closing.

(e) The liability of an Indemnifying Party (other than Bentley and Newco) shall be limited to the portion of the applicable Purchase Price received by each such Indemnifying Party.

(f) A Stockholder's or Innovatech's indemnification obligation may, at its or his election, be satisfied by delivery of shares of Buyer Stock or Exchangeable Shares, as

the case may be, having a fair market value equal to the amount of the indemnification obligation. For purposes of this paragraph only, the fair market value of shares of Buyer Stock or Exchangeable Shares as the case may be, shall be the then fair market value thereof, as determined in good faith by Bentley's Board of Directors but not less than US$14.58 per share of Buyer Stock or Exchangeable Shares, as applicable (subject to appropriate adjustments for stock splits, recapitalizations and similar events).

ARTICLE X. MISCELLANEOUS

Section 10.1 Confidentiality of Agreement. The terms of this Agreement shall remain confidential. In no event shall either party disclose the terms of this Agreement without the prior written consent of the other party; provided, however, the parties may announce publicly the signing of this Agreement in the form of one or more press releases or joint announcements, all mutually approved by the parties, and both parties may thereafter freely communicate to the public the information contained in such press releases and announcements.

Section 10.2 Entire Agreement. This Agreement, together with the Exhibits and Schedules hereto, sets forth the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and, except as specifically provided herein, supersedes and merges all prior oral and written agreements, discussions and understandings between the parties with respect to the subject matter hereof, and neither of the parties shall be bound by any conditions, inducements or representations other than as expressly provided for herein.

Section 10.3 Notices. Any notice required or permitted to be given hereunder, shall, except where specifically provided otherwise, be given in writing to the person listed below by registered mail or overnight delivery service, and the date upon which any such notice is received at the designated address shall be deemed to be the date of such notice. Any notice shall be delivered as follows:

If to HMR: HMR Inc.
1924 avenue du Cheminot
Beauport, Quebec, Canada
GIE 4M1
Attention: Stylianos Camateros
President

If to Bentley, Newco or QuebecCo:

Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341
Attention: General Counsel

with a copy to:

Schnader Harrison Segal & Lewis LLP
Suite 3600
1600 Market Street
Philadelphia, PA 19103
Attention: Yves Quintin

If to the Stockholders or any of them, to the Agent:

Stylianos Camateros
c/o HMR Inc.
1924 avenue du Cheminot
Beauport, Quebec, Canada GIE 4M1

With copies to:

Paul Grenier
c/o Groupe Hauts-Monts Inc.
1924 Avenue du Cheminot
Beauport, Quebec, Canada GIE 4M1

or addressed to such other address as that party may have given by written notice in accordance with this provision.

Section 10.4 Amendments; Modifications. This Agreement may not be amended or modified except in a writing duly executed by the parties hereto.

Section 10.5 Assignment. Bentley shall have the right to assign this Agreement, or any part thereof, with the prior written consent of HMR (which consent shall not be unreasonably withheld), to an Affiliate Controlled by Bentley, so long, however, as Bentley shall remain solidarily and primarily liable for the obligations of such Affiliate hereunder. Neither HMR nor any Stockholders shall assign this Agreement or any part thereof, without the prior written consent of Bentley, which consent may be withheld in Bentley's entire discretion.

Section 10.6 Severability. The provisions of this Agreement shall be severable, and if any of them are held invalid or unenforceable for any reason, such provision shall be adjusted to the minimum extent necessary to cure such invalidity. The invalidity or unenforceability of one or more of the provisions contained in this Agreement shall not affect any other provisions of this Agreement.

Section 10.7 Waiver. Any delay or forbearance by either party in exercising any right hereunder shall not be deemed a waiver of that right.

Section 10.8 Governing Law. This Agreement shall be governed by and interpreted in accordance with the substantive laws of the Province of Quebec, without regard to

rules of conflict of laws, except however, to the extent US federal and/or state (US) securities laws shall apply to the offer or sale of the Buyer Stock.

Section 10.9 Arbitration. In the event of a dispute between the parties, the parties shall submit to binding arbitration before a panel of three arbitrators (except that if the dispute relates to a claim which, together with any counterclaims, amounts to less than US $100,000, then one single arbitrator) in Toronto, Ontario, under the Rules of Conciliation and Arbitration of the International Chamber of Commerce except that temporary restraining orders or preliminary injunctions, or their equivalent, may be obtained from any court of competent jurisdiction. The pre-hearing (including discovery) and hearing proceedings in the arbitration shall be governed by the laws of the Province of Quebec. The decision of the arbitrator shall be final and binding with respect to the dispute subject to the arbitration and shall be enforceable in any court of competent jurisdiction. Each party shall bear its own expenses, attorney's fees and costs incurred in such arbitration. The language of the arbitration shall be English.

Section 10.10 Expenses. The Stockholders, Bentley and Newco shall pay their own fees, expenses and disbursements, including the fees and expenses of their respective counsel, accountants and other experts, in connection with the subject matter of this Agreement and all other costs and expenses incurred in performing and complying with all conditions to be performed under this Agreement. The Company shall not bear any fees or expenses in connection with the transactions contemplated hereby.

Section 10.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one agreement.

Section 10.12 Construction. This Agreement is the product of joint draftsmanship and shall not be construed against one party more strictly than against the other.

Section 10.13 "Knowledge." When any representation or warranty contained in this Agreement is expressly qualified by reference "to the knowledge" of a party hereto, it is understood and acknowledged that reference is made to the actual knowledge of such party without obligation to make any search or inquiry and, in the case of the Company or a Subsidiary or a corporate Stockholder, such knowledge shall include the actual knowledge of officers, managers and directors (other than any director representing Bentley on the Board of the Company) of the Company, Subsidiary or corporate Stockholder, as the case may be. For purposes hereof, "managers" shall mean, in the case of the Company, the President, Executive Vice-President and all Vice Presidents and all persons responsible for finance, administration, sales, marketing and research and development and, in the case of a Subsidiary or corporate Stockholder, all persons fulfilling similar functions (whether or not with the same titles).

Section 10.14 Currency. If for any purpose, including the obtaining of judgment in any court, it is necessary to convert a sum due hereunder from the currency in which it is payable (the "Payment Currency") into another currency (the "Judgment Currency"), the parties hereto agree, to the fullest extent that they may lawfully and effectively do so, that the rate of exchange used shall be that at which Bentley could purchase the Payment Currency with the

Judgment Currency in the foreign exchange market in Philadelphia on the business day preceding the date of final judgment.

Section 10.15 Time of Essence. Time is of the essence of this Agreement and the mere lapse of time shall have the effects contemplated herein and by law.

Section 10.16 Language. The parties recognize that they have requested that this Agreement and all ancillary documents be drawn up in the English language only. Les parties reconnaissent avoir exige que cette convention ainsi que tous les documents y afferents soient rediges en anglais seulement.

Section 10.17 Headings. The headings in this Agreement are inserted merely for the purpose of convenience and shall not affect the meaning or interpretation of this Agreement.

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

BENTLEY SYSTEMS, INCORPORATED

ATTEST:

By: /s/ David Nation
- ---------- ----------
Name: David Nation

90990-0960 QUEBEC INC.

ATTEST:

By: /s/ David Nation
- ---------- ----------
Name: David Nation

9090-0952 QUEBEC INC.

ATTEST:

By: /s/ David Nation
- ---------- ----------
Name: David Nation

HMR, INC.

ATTEST:

- ----------

By: /s/ Stylianos Camateros

Name: Stylianos Camateros

SOCIETE INNOVATECH QUEBEC ET
CHAUDIERE APPALACHES

ATTEST:

- ----------

By: /s/ Francine Laurent

Name: Francine Laurent

ATTEST:

- ----------

By:

Name:

GROUPE HAUTS-MONTS, INC.

ATTEST:

- ----------

By: /s/ Paul Grenier

Name: Paul Grenier

PLACEMENTS P. GRENIER INC.

ATTEST:

- ----------

By: /s/ Paul Grenier

Name: Paul Grenier

PLACEMENTS MORAS INC.

ATTEST:

- ----------

By: /s/ Pierre Gingras

Name: Pierre Gingras

PLACEMENTS P. SMITH INC.

ATTEST:

- ----------

By: /s/ Paul Smith

Name: Paul Smith

IMMEUBLES CHAMPETTRES, INC.

ATTEST:

- ----------

By: /s/ Paul Grenier

Name: Paul Grenier

STYLIANOS CAMATEROS

ATTEST:

- ----------

By: /s/ Stylianos Camateros

Name: Stylianos Camateros

ANNEX C

SCHEDULE TO STOCK PURCHASE AGREEMENT

PROVISIONS ATTACHING TO EXCHANGEABLE SHARES

The Exchangeable Shares in the capital of the Company shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1
INTERPRETATION

1.1 For the purposes of these share provisions:

"ACQUISITION OF CONTROL" for purposes of these share provisions shall be deemed to have occurred if:

(i) Any person, firm or corporation acquires directly or indirectly the Beneficial Ownership (as defined in Section 13(d) of the United States Securities Exchange Act of 1934, as amended) of any voting security of Buyer and immediately after such acquisition, the acquirer has Beneficial Ownership of voting securities representing 50% or more of the total voting power of all the then-outstanding voting securities of Buyer;

(ii) The stockholders of Buyer shall approve a merger, consolidation, recapitalization or reorganization of Buyer or consummation of any such transaction if stockholder approval is not sought or obtained, other than any such transaction which would result in at least 75% of the total voting power represented by the voting securities of the surviving entity outstanding immediately after such transaction being Beneficially Owned by holders of outstanding voting securities of Buyer immediately prior to the transaction, with the voting power of each such continuing holder relative to such other continuing holders being not altered substantially in the transaction; or

(iii) The stockholders of Buyer shall approve a plan of complete liquidation of Buyer or an agreement for the sale or disposition by the Company of all or a substantial portion of Buyer's assets (i.e. 50% or more in value of the total assets of Buyer).

"AFFILIATE" of any person means any other person directly or indirectly controlled by, or under common control of, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control of"), as applied to any person, means the possession by another person, directly or indirectly, of the power to direct or cause the direction of the management and policies of that first mentioned person, whether through the ownership of voting securities, by contract or otherwise.

"AUTOMATIC REDEMPTION DATE" means the date for the automatic redemption by the Company of Exchangeable Shares pursuant to Article 7 of these share provisions, which date shall be the earlier of December 31, 2002 or one year after an initial public offering by Bentley of its Buyer Common Stock, unless (a) such date shall be extended at any time or from time to time to a specified later date by the Board of Directors or (b) such date shall be accelerated at any time to a specified earlier date by the Board of Directors (A) if at such time there are less than such number as represents 15% of the Exchangeable Shares initially issued to the holders of Exchangeable Shares (other than Exchangeable Shares held by Buyer and its Affiliates and as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), or (B) if at such time there is an Acquisition of Control (but only if such Acquisition of Control entitles the holders of Buyer Common Stock to receive cash or marketable securities of a publicly traded company, or a combination thereof), in each case upon at least ten (10) days' prior written notice of any such extension or acceleration, as the case may be, to the registered holders of the Exchangeable Shares, in which case the Automatic Redemption Date shall be such later or earlier date.

"AUTOMATIC REDEMPTION" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"BOARD OF DIRECTORS" means the Board of Directors of the Company.

"BUSINESS DAY" means any day other than a Saturday, a Sunday or a day when banks are not open for business in Quebec, Quebec or Philadelphia, Pennsylvania.

"BUYER" means Bentley Systems, Incorporated, a corporation organized under the laws of Delaware, and any successor corporation.

"BUYER COMMON STOCK" means the shares of Class B Non-Voting Common Stock of Buyer and any other securities into which such shares may be changed.

"BUYER DECLARATION DATE" means the date on which the board of directors of Buyer declares a dividend on the Buyer Common Stock.

"QUEBECCO" means 9090-0952 Quebec Inc., a corporation incorporated under the laws of the Province of Quebec, a wholly-owned subsidiary of Buyer.

"COMMON SHARES" means the voting common shares of the Company.

"COMPANY" means 9090-0960 Quebec Inc., a corporation incorporated under the laws of the Province of Quebec.

"COMPANY LAW" means the Companies Act (Quebec).

"EXCHANGEABLE SHARES" mean the Exchangeable Shares of the Company having the rights, privileges, restrictions and conditions set forth herein.

"LIQUIDATION AMOUNT" has the meaning ascribed thereto in Section 5.1 of these share provisions.

"LIQUIDATION CALL RIGHT" has the meaning ascribed thereto in Annex D of the Stock Purchase Agreement.

"LIQUIDATION DATE" has the meaning ascribed thereto in Section 5.1 of these share provisions.

"PUT RIGHT" has the meaning ascribed thereto in Annex D of the Stock Purchase Agreement.

"REDEMPTION CALL PURCHASE PRICE" has the meaning ascribed thereto in Annex D of the Share Purchase Agreement.

"REDEMPTION CALL RIGHT" has the meaning ascribed thereto in Annex D of the Stock Purchase Agreement.

"REDEMPTION PRICE" has the meaning ascribed thereto in Section 7.1 of these share provisions.

"RETRACTION CALL RIGHT" has the meaning ascribed thereto in Annex D of the Stock Purchase Agreement.

"RETRACTION DATE" has the meaning ascribed thereto in Section 6.1(b) of these share provisions.

"RETRACTION PRICE" has the meaning ascribed thereto in Section 6.1 of these share provisions.

"RETRACTION REQUEST" has the meaning ascribed thereto in Section 6.1 of these share provisions.

"RETRACTED SHARES" has the meaning ascribed thereto in Section 6.1(a) of these share provisions.

"STOCK PURCHASE AGREEMENT" means the Stock Purchase Agreement bearing formal date of April 26, 2000 by and among Buyer, the Company, QuebecCo, HMR Inc. and the Stockholders named therein.

"SUPPORT AGREEMENT" means the Support Agreement between Buyer, the Company and the Stockholders named therein.

ARTICLE 2
RANKING OF EXCHANGEABLE SHARES

2.1 The Exchangeable Shares shall be entitled to a preference, as provided in Articles 3 and 5, over the Common Shares and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs.

ARTICLE 3
DIVIDENDS

3.1 A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each Buyer Declaration Date, declare a dividend on each Exchangeable Share (a) in the case of a cash dividend declared on the Buyer Common Stock, in an amount in cash (in U. S. dollars) for each Exchangeable Share equal to the cash dividend declared on each share of Buyer Common Stock or (b) in the case of a stock dividend declared on the Buyer Common Stock to be paid in Buyer Common Stock, in such number of shares of Buyer Common Stock for each Exchangeable Share as is equal to the number of shares of Buyer Common Stock to be paid on each share of Buyer Common Stock or (c) in the case of a dividend declared on the Buyer Common Stock in property other than cash or Buyer Common Stock, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent to (to be determined by the Board of Directors as contemplated by Section 2.6 of the Support Agreement) the type and amount of property declared as a dividend on each share of Buyer Common Stock. Such dividends shall be paid out of money, assets or property of the Company properly applicable to the payment of dividends, or out of authorized but unissued shares of the Company. Any dividend which should have been declared on the Exchangeable Shares pursuant to this Section 3.1 but was not so declared due to the provisions of applicable law shall be declared and paid by the Company on a subsequent date or dates determined by the Board of Directors.

3.2 Cheques of the Company payable at par and in U.S. dollars at any branch of the bankers of the Company shall be issued in respect of any cash dividends contemplated by Section 3.1(a) hereof and the sending of such a cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. Certificates registered in the name of the registered holder of Exchangeable Shares shall be issued or transferred in respect of any stock dividends contemplated by Section 3.1(b) hereof and the sending of such a certificate to each holder of an Exchangeable Share shall satisfy the stock dividend represented thereby. Such other type and amount of property in respect of any dividends contemplated by Section 3.1(c) hereof shall be issued, distributed or transferred by the Company in such manner as it shall determine and the issuance, distribution or transfer thereof by the Company to each holder of an Exchangeable Share shall satisfy the dividend represented thereby. No holder of an Exchangeable Share shall be entitled to recover by action or other legal process against the Company any dividend that is represented by a cheque that has not been duly presented to the Company's bankers for payment or that otherwise remains unclaimed for a period of three (3) years from the date on which such dividend was payable.

3.3 The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Exchangeable Shares under Section 3.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Buyer Common Stock provided, however, that if such date is not a Business Day, it shall be the immediately following Business Day.

3.4 If on any payment date for any dividends declared on the Exchangeable Shares under Section 3.1 hereof the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Company shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.

ARTICLE 4
CERTAIN RESTRICTIONS

4.1 So long as any of the Exchangeable Shares are outstanding, the Company shall not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares given as specified in Section 10.2 of these share provisions:

(a) pay any dividends on the Common Shares or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in Common Shares or any such other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem, or purchase or make any capital distribution in respect of Common Shares or any other shares ranking junior to the Exchangeable Shares;

(c) redeem or purchase any other shares of the Company ranking equally with the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution; or

(d) issue any other shares of the Company ranking superior to the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution.

The restrictions in Sections 4.1(a), 4.1(b), 4.1(c) and 4.1(d) above shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared following the initial date of issue of Exchangeable Shares on the Buyer Common Stock shall have been declared on the Exchangeable Shares and paid in full.

ARTICLE 5
DISTRIBUTION ON LIQUIDATION

5.1 In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, a holder of Exchangeable Shares shall be entitled, subject to applicable law, to receive from the Company in respect of each Exchangeable Share held by such holder on the effective date (the "LIQUIDATION DATE") of such liquidation, dissolution or winding-up, before any distribution of any part of the assets of the Company among the holders of the Common Shares or any other shares ranking junior to the Exchangeable Shares, one (1) share of Buyer Common Stock, plus an amount equivalent to the full amount of all declared and unpaid dividends on each such Exchangeable Share and all dividends declared on Buyer Common Stock which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "LIQUIDATION AMOUNT"), provided that if the record date for any such declared and unpaid dividends occurs on or after the Liquidation Date, the Liquidation Amount shall not include such additional amount equivalent to such dividends.

5.2 On or after the Liquidation Date and subject to the exercise by QuebecCo of the Liquidation Call Right, the Company shall cause to be delivered to the holders of the Exchangeable Shares the Liquidation Amount (less any tax required to be deducted and withheld therefrom by the Company) for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Company Law and the by-laws of the Company and such additional documents and instruments as the Company may reasonably require, at any office and in any manner whatsoever as may be specified by the Company by notice to the holders of the Exchangeable Shares. Payment of the total Liquidation Amount for such Exchangeable Shares shall be made by the Company, or on behalf of the Company by an authorized agent, by delivery to each holder at the address of the holder recorded in the securities register of the Company or by holding for pick up by the holder at any office as may be specified by the Company by notice to the holders of Exchangeable Shares, certificates representing shares of Buyer Common Stock (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) registered in the name of the holder and a cheque of the Company payable at par and in U.S. dollars at any branch of the bankers of the Company in respect of the amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on shares of Buyer Common Stock which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions comprising part of the total Liquidation Amount (less any tax required to be deducted and withheld therefrom by the Company) without interest. On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount has been paid in the manner hereinbefore provided. The Company shall have the right at any time on or after the Liquidation Date to deposit or cause to be deposited the total Liquidation Amount in respect of

the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof with an authorized agent of the Company including, without limitation, any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of Exchangeable Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount so deposited (less any tax required to be deducted and withheld therefrom) without interest for such Exchangeable Shares against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. In the event such payment or deposit of the total Liquidation Amount is made pursuant to the provisions of this Section 5.2, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be the holders of the Buyer Common Stock delivered to them. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Company is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Company in order to enable it to comply with such deduction or withholding requirement and the Company shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

5.3 After the Company has satisfied its obligations to pay the holders of the Exchangeable Shares the Liquidation Amount per Exchangeable Share pursuant to Section 5.1 of these share provisions, such holders shall not be entitled to share in any further distribution of the assets of the Company.

ARTICLE 6
RETRACTION OF EXCHANGEABLE SHARES BY HOLDER

6.1 A holder of Exchangeable Shares shall be entitled at any time, subject to applicable law and subject to the exercise by QuebecCo of the Retraction Call Right, to require the Company, on no more than two occasions for any one holder, to redeem all or a portion, of the Exchangeable Shares registered in the name of such holder for one (1) share of Buyer Common Stock for each Exchangeable Share presented and surrendered by the holder, plus an amount equivalent to the full amount of all declared and unpaid dividends thereon and all dividends declared on Buyer Common Stock which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "RETRACTION PRICE"), provided that if the record date for any such declared and unpaid dividends occurs on or after the Retraction Date, the Retraction Price shall not include such additional amount equivalent to such dividends. To effect such retraction, the holder shall present and surrender, at the registered office of the Company or at any other office and in any manner whatsoever as may be specified by the Company by notice to the holders of Exchangeable Shares, the certificate or certificates representing the Exchangeable Shares which the holder desires to have the Company redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Company Law and the by-laws of the Company and such additional documents and instruments as the Company may reasonably require, and together with a duly executed statement (the "RETRACTION REQUEST") in the form of Schedule A hereto or in such other form as may be acceptable to the Company:

(a) specifying that the holder desires to have any number specified therein of the Exchangeable Shares represented by such certificate or certificates (the "RETRACTED SHARES") redeemed by the Company;

(b) stating the Business Day on which the holder desires to have the Company redeem the Retracted Shares (the "RETRACTION DATE"), provided that the Retraction Date shall be not less than ten (10) Business Days nor more than fifteen (15) Business Days after the date on which the Retraction Request is received by the Company and further provided that, in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the tenth Business Day after the date on which the Retraction Request is received by the Company; and

(c) acknowledging the Retraction Call Right in favour of QuebecCo.

6.2 Subject to the exercise by QuebecCo of the Retraction Call Right, upon receipt by the Company in the manner specified in Section 6.1 hereof of a certificate or certificates representing all of the Exchangeable Shares owned by the relevant holder, together with a duly executed and completed Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.6, the Company shall redeem the Retracted Shares effective at the close of business on the Retraction Date.

6.3 On the Retraction Date and subject to the exercise by QuebecCo of the Retraction Call Right, the Company shall cause to be delivered to the relevant holder, at the address of the holder recorded in the securities register of the Company or at the address specified in the holder's Retraction Request or by holding for pick up by the holder at any office as may be specified by the Company by notice to the holders of Exchangeable Shares, by or on behalf of the Company, certificates representing the Buyer Common Stock (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) registered in the name of the holder and a cheque of the Company payable at par and in U.S. dollars at any branch of the bankers of the Company in respect of the additional amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on Buyer Common Stock which have not been declared on such Retracted Shares in accordance with Section 3.1 of these share provisions comprising part of the total Retraction Price (less any tax required to be deducted and withheld therefrom by the Company) and delivery of such certificates and cheque by or on behalf of the Company, as the case may be, shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price, to the extent that the same is represented by such share certificates and cheque (less any tax required and in fact deducted and withheld therefrom and remitted to the proper tax authority), unless such cheque is not paid on due presentation. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Company is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Company in order to enable it to comply with such deduction or withholding requirement and shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

6.4 On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Retraction Price, unless payment of the total Retraction Price shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of such holder shall remain unaffected until the total Retraction Price has been paid in the manner hereinbefore provided. On and after the Retraction Date, provided that presentation and surrender of certificates and payment of the total Retraction Price has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Company shall thereafter be considered and deemed for all purposes to be a holder of the Buyer Common Stock delivered to it.

6.5 Notwithstanding any other provision of this Article 6, the Company shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Company believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and provided that QuebecCo shall not have exercised the Retraction Call Right with respect to the Retracted Shares, the Company shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two (2) Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Company. In any case in which the redemption by the Company of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the Company shall redeem Retracted Shares in accordance with Section 6.2 of these share provisions on a pro rata basis and shall issue to each holder of Retracted Shares a new certificate, at the expense of the Company, representing the Retracted Shares not redeemed by the Company pursuant to Section 6.2 hereof.

6.6 A holder of Retracted Shares may, by notice in writing given by the holder to the Company before the close of business on the Business Day immediately preceding the Retraction Date, withdraw its Retraction Request in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to QuebecCo shall be deemed to have been revoked.

ARTICLE 7
REDEMPTION OF EXCHANGEABLE SHARES BY THE COMPANY

7.1 Subject to (a) applicable law, (b) the exercise by QuebecCo of the Redemption Call Right and (c) the Put Right of the holders of Exchangeable Shares, the Company shall on the Automatic Redemption Date redeem (the "AUTOMATIC REDEMPTION") the whole of the then outstanding Exchangeable Shares for one (1) share of Buyer Common Stock for each Exchangeable Share, plus an amount equivalent to the full amount of all declared and unpaid dividends thereon and all dividends declared on Buyer Common Stock which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions (collectively the "REDEMPTION PRICE"), provided that if the record date for any such declared

and unpaid dividends occurs on or after the Redemption Date, the Redemption Price shall not include such additional amount equivalent to such dividends.

7.2 In any case of any redemption of Exchangeable Shares under this Article 7, the Company shall, at least fifteen (15) days before the Automatic Redemption Date, send or cause to be sent to each holder of Exchangeable Shares to be redeemed a notice in writing of the redemption by the Company or the purchase by QuebecCo under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder. Such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, the Redemption Date and, if applicable, particulars of the Redemption Call Right. On the Automatic Redemption Date and subject to the exercise by QuebecCo of the Redemption Call Right, the Company shall cause to be delivered to the holders of the Exchangeable Shares to be redeemed at the Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Company Law and the by-laws of the Company and such additional documents and instruments as the Company may reasonably require, at any office and in any manner whatsoever as may be specified by the Company in such notice. Payment of the total Redemption Price for such Exchangeable Shares shall be made by the Company, or on behalf of the Company by an authorized agent, by delivery to each holder at the address of the holder recorded in the securities register of the Company or by holding for pick up by the holder at any office as may be specified by the Company in such notice, certificates representing shares of Buyer Common Stock (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) registered in the name of the holder and a cheque of the Company payable at par in U.S. dollars at any branch of the bankers of the Company in respect of the additional amount equivalent to the full amount of all declared and unpaid dividends and all dividends declared on Buyer Common Stock which have not been declared on such Exchangeable Shares in accordance with Section 3.1 of these share provisions comprising part of the total Redemption Price (less any tax required to be deducted and withheld therefrom by the Company) without interest. On and after the Automatic Redemption Date, the holders of the Exchangeable Shares called for redemption shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of the total Redemption Price for such Exchangeable Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Redemption Price has been paid in the manner hereinbefore provided. The Company shall have the right at any time after the sending of notice of its intention to redeem Exchangeable Shares as aforesaid to deposit or cause to be deposited the total Redemption Price of the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, with an authorized agent of the Company including, without limitation, any chartered bank or trust company in Canada named in such notice. Upon the later of such deposit being made and the Automatic Redemption Date, the Exchangeable Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Automatic Redemption Date, as the case may be, shall be limited to receiving

their proportionate part of the total Redemption Price so deposited (less any tax required to be deducted and withheld therefrom by the Company), without interest for such Exchangeable Shares against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. In the event such payment or deposit of the total Redemption Price is made pursuant to the provisions of this Section 7.2, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the shares of Buyer Common Stock delivered to them. To the extent that the amount of tax required to be deducted or withheld from any payment to a holder of Exchangeable Shares exceeds the cash portion of such payment, the Company is hereby authorized to sell or otherwise dispose of at fair market value such portion of the property then payable to the holder as is necessary to provide sufficient funds to the Company in order to enable it to comply with such deduction or withholding requirement and shall give an accounting to the holder with respect thereto and any balance of such proceeds of sale.

ARTICLE 8
PURCHASE FOR CANCELLATION

8.1 Subject to applicable law and the articles of the Company, the Company may at any time and from time to time offer to purchase for cancellation all or any part of the outstanding Exchangeable Shares at any price by tender to all the holders of record of Exchangeable Shares then outstanding at any price per share together with an amount equal to all declared and unpaid dividends thereon. If in response to an invitation for tenders under the provisions of this Section 8.1, more Exchangeable Shares are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, the Exchangeable Shares to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price at which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices. If part only of the Exchangeable Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Company.

ARTICLE 9
VOTING RIGHTS

9.1 Except as required by applicable law and the provisions of Sections 10 and 12.2, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Company or to vote at any such meeting.

ARTICLE 10
AMENDMENT AND APPROVAL

10.1 The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed but only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

10.2 Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by (i) a resolution passed by not less than two-thirds of the votes cast on such resolution by the holders of the Exchangeable Shares, and (ii) a separate resolution passed by not less than 50% of the votes cast on such separate resolution by the holders of Exchangeable Shares other than Buyer and its Affiliates, at separate meetings of holders of Exchangeable Shares and holders of Exchangeable Shares other than Buyer and its Affiliates duly called and held in each case at which the holders of at least 50% of the outstanding Exchangeable Shares (not including Exchangeable Shares held by Buyer or its Affiliates) at that time are present or represented by proxy; provided that if at any such meeting the holders of at least 50% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting then the meeting shall be adjourned to such date not less than ten (10) days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares entitled to vote at the meeting and present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes entitled to vote on the resolution cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Exchangeable Shares or the holders of Exchangeable Shares other than Buyer and its Affiliates, as the case may be.

ARTICLE 11
RECIPROCAL CHANGES, ETC. IN RESPECT OF BUYER COMMON STOCK

11.1 (a) If Buyer:

(i) issues or distributes shares of Buyer Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Common Stock) to the holders of all or substantially all of the then outstanding shares of Buyer Common Stock by way of stock dividend or other distribution, other than an issue of shares of Buyer Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Common Stock) to holders of shares of Buyer Common Stock who exercise an option to receive dividends in shares of Buyer Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of Buyer Common Stock) in lieu of receiving cash dividends; or

(ii) issues or distributes rights, options or warrants to the holders of all or substantially all of the then outstanding shares of Buyer Common Stock entitling them to subscribe for or to purchase shares of Buyer Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of Buyer Common Stock); or

(iii) issues or distributes to the holders of all or substantially all of the then outstanding shares of Buyer Common Stock (A) shares or securities of Buyer of any class other than Buyer Common Stock (other than shares convertible into or exchangeable for or carrying rights to acquire shares of Buyer Common Stock), (B) rights, options or warrants other than those referred to in Section 11.1(ii) above, (C) evidences of indebtedness of Buyer or (D) assets of Buyer;

the Company will issue or distribute simultaneously to the holders of the Exchangeable Shares, the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets, such economic equivalent to be determined as provided in Section 2.6 of the Support Agreement.

(b) If Buyer:

(i) subdivides, redivides or changes the then outstanding shares of Buyer Common Stock into a greater number of shares of Buyer Common Stock; or

(ii) reduces, combines or consolidates or changes the then outstanding shares of Buyer Common Stock into a lesser number of shares of Buyer Common Stock; or

(iii) reclassifies or otherwise changes the shares of Buyer Common Stock or effects an amalgamation, merger, reorganization or other transaction affecting the shares of Buyer Common Stock;

the Company will make the same or an economically equivalent change simultaneously to, or in the rights of the holders of, the Buyer, such economic equivalent to be determined as provided in Section 2.6 of the Support Agreement. The Support Agreement further provides in part that the foregoing provisions of the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions.

11.2 Pursuant to the Stock Purchase Agreement, the initial holders of Exchangeable Shares are given a Put Right to exchange their Exchangeable Shares for shares of Buyer Common Stock upon the occurrence of certain circumstances.

ARTICLE 12
ACTIONS BY THE COMPANY UNDER SUPPORT AGREEMENT

12.1 The Company will take all such actions and do all such things as shall be necessary or advisable to perform and comply with and to ensure performance and compliance

by Buyer with all provisions of the Support Agreement as well as by QuebecCo with the Liquidation Call Right, the Redemption Call Right, the Retraction Call Right and the Put Right contained in the Stock Purchase Agreement applicable to the Company and QuebecCo, respectively, in accordance with the respective terms thereof including, without limitation, taking all such actions and doing all such things as shall be necessary or advisable to enforce to the fullest extent possible for the direct benefit of the Company and the holders of Exchangeable Shares all rights and benefits in favour of the Company and such holders under or pursuant to such agreements.

12.2 The Company shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement, the Put Right, the Redemption Call Right and the Retraction Call Right contained in the Stock Purchase Agreement without the approval of the holders of the Exchangeable Shares given in accordance with Section 10.2 of these share provisions other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:

(a) adding to the covenants of the other party or parties to such agreement for the protection of the Company or the holders of Exchangeable Shares thereunder; or

(b) making such provisions or modifications not inconsistent with such agreement as may be necessary with respect to matters or questions arising thereunder which, in the opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the opinion, after consultation with counsel and based on a legal opinion to be addressed to the holders of the Exchangeable Shares, that such provisions and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

(c) making such changes in or corrections to such agreement which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the opinion, after consultation with counsel, that such changes or corrections will not be prejudicial to the interests of the holders of the Exchangeable Shares.

ARTICLE 13
LEGEND

13.1 The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend, in form and on terms approved by the Board of Directors, with respect to the provisions of the Stock Purchase Agreement relating to the Liquidation Call Right, the Redemption Call Right, the Retraction Call Right and the Put Right.

ARTICLE 14
NOTICES

14.1 Any notice, request or other communication to be given to Buyer and/or the Company by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by telecopy or by delivery to:

(a) if to Buyer or the Company at:

Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341
Attention: General Counsel

with a copy to:

Schnader Harrison Segal & Lewis LLP
Suite 3600
1600 Market Street
Philadelphia, PA 19103
Attention: Yves Quintin

(b) if to the Stockholders, addressed to them at:

Stylianos Camateros
c/o HMR Inc.
1924 avenue du Cheminot
Beauport, Quebec, Canada GIE 4M1

With copies to:

Paul Grenier
c/o Hauts-Monts Inc.
1924 Avenue du Cheminot
Beauport, Quebec, Canada GIE 4M1

Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Company.

14.2 Any presentation and surrender by a holder of Exchangeable Shares to the Company of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding up of the Company or the retraction or redemption of Exchangeable Shares shall be made by registered mail (postage prepaid) or by delivery to the Company at the above address or to such other office as may be specified by the Company, in each case addressed to the attention of the President of the Company unless otherwise specified by the Company. Any such presentation and surrender of certificates, if given by mail (postage prepaid) or by delivery, shall only be deemed to have been made and to be effective upon actual receipt thereof by the Company. Any such presentation and surrender of certificates made by registered mail shall be at the sole risk of the holder mailing the same.

14.3 Any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Company shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address of the holder recorded in the securities register of the Company or, in the event of the address of any such holder not

being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail (postage prepaid) or by delivery, shall only be deemed to have been made and to be effective upon actual receipt thereof by a holder of Exchangeable Shares. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Company pursuant thereto.

SCHEDULE A

NOTICE OF RETRACTION

To the Company, 9090-0952 Quebec Inc. ("QuebecCo") and Bentley Systems, Incorporated.

This notice is given pursuant to Article 6 of the Exchangeable Share provisions (the "SHARE PROVISIONS") attaching to the share(s) represented by this certificate and all capitalized words and expressions used in this notice which are defined in the Share Provisions have the meanings ascribed to such words and expressions in such Share Provisions.

The undersigned hereby notifies the Company that, subject to the Retraction Call Right referred to below, the undersigned desires to have the Company redeem in accordance with Article 6 of the Share Provisions: (i) all share(s) represented by this certificate or (ii) ___ shares.

The undersigned hereby notifies the Company that the Retraction Date shall be: _____.

NOTE: The Retraction Date must be a Business Day and must not be less than ten (10) Business Days nor more than fifteen (15) Business Days after the date upon which this notice is received by the Company. In the event that no such Business Day is specified above, the Retraction Date shall be deemed to be the tenth Business Day after the date on which this notice is received by the Company.

The undersigned acknowledges the Retraction Call Right of QuebecCo to purchase the Retracted Shares from the undersigned and that this notice shall be deemed to be a revocable offer by the undersigned to sell the Retracted Shares to QuebecCo in accordance with the Retraction Call Right on the Retraction Date for the Retraction Price. If QuebecCo determines not to exercise the Retraction Call Right, the Company will notify the undersigned of such fact as soon as possible. This notice of retraction, and offer to sell the Retracted Shares to QuebecCo may be revoked and withdrawn by the undersigned by notice in writing given to the Company at any time before the close of business on the Business Day immediately preceding the Retraction Date.

The undersigned hereby represents and warrants to the Company and QuebecCo that the undersigned has good title to, and owns, the share(s) represented by this certificate to be acquired by the Company or QuebecCo, as the case may be, free and clear of all liens, claims and encumbrances.

_____ _____

(Date) (Signature of Shareholder)

_____

(Guarantee of Signature)

[ ] Please check box if the securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares are to be held for pick-up by the shareholder, in the case of securities, at any office as specified by the Company from time to time and, in the case of any cheque(s), at the principal payment office of _____ in _____, respectively, failing which the securities and any cheque(s) will be mailed to the last address of the shareholder as it appears on the register of the Company.

NOTE: This panel must be completed and this certificate, together with such additional documents as the Company may require, must be deposited with the Company. The securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares will be issued and registered in, and made payable to, respectively, the name of the shareholder as it appears on the register of the Company and the securities and cheque(s) resulting from such retraction or purchase will be delivered to such shareholder as indicated above, unless the form appearing immediately below is duly completed.

Name of Person in Whose Name Securities or Cheque(s) Are To Be Registered, Issued or Delivered (please print): _____

Street Address or P.O. Box _____

City, Province: _____

Signature of Shareholder: _____

Guaranteed by: _____

Signature: _____

ANNEX D

1. QUEBECCO LIQUIDATION CALL RIGHTS

1.1 QuebecCo shall have the overriding right (the "LIQUIDATION CALL RIGHT"), in the event of and notwithstanding the proposed liquidation, dissolution or winding-up of Newco pursuant to Article 5 of the Exchangeable Share Provisions, to purchase all but not less than all of the Exchangeable Shares held by each such holder which shall be satisfied in full by causing to be delivered to such holder one share of Buyer Stock plus an amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share and all dividends declared on Buyer Stock which have not been declared on such Exchangeable Share in accordance with Section 3.1 of the Exchangeable Share Provisions (collectively the "LIQUIDATION CALL PURCHASE PRICE"), provided that if the record date for any such declared and unpaid dividends occurs on or after the Liquidation Date, the Liquidation Call Purchase Price shall not include such additional amount equivalent to such dividends. In the event of the exercise of the Liquidation Call Right by QuebecCo, each holder shall be obligated to sell all the Exchangeable Shares held by the holder to QuebecCo on the Liquidation Date on payment by QuebecCo to the holder of the Liquidation Call Purchase Price for each such Exchangeable Share;

1.2 To exercise the Liquidation Call Right, QuebecCo must notify Newco and the Stockholders of QuebecCo's intention to exercise such right at least 20 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of Newco and at least five Business Days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of Newco. Newco or an authorized agent will notify the holders of Exchangeable Shares as to whether or not QuebecCo has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by QuebecCo. If QuebecCo exercises the Liquidation Call Right, on the Liquidation Date, QuebecCo will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per Exchangeable Share equal to the Liquidation Call Purchase Price.

1.3 For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Liquidation Call Right, QuebecCo shall deposit with Newco or an authorized agent, prior to the Liquidation Date, certificates representing the aggregate number of shares of Buyer Stock deliverable by QuebecCo in payment of the Liquidation Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Liquidation Call Purchase Price. Provided that the total Liquidation Call Purchase Price has been so deposited with Newco or an authorized agent, on and after the Liquidation Date the rights of each holder of Exchangeable Shares will be limited to receiving such holder's proportionate part of the total Liquidation Call Purchase Price payable by QuebecCo upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Liquidation Date be considered and deemed for all purposes to be the holder of the shares of Buyer Stock delivered to it. Upon surrender to Newco or an authorized agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the applicable corporate law and the by-laws of Newco and such additional documents and

instruments as Newco or the authorized agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and Newco or the authorized agent on behalf of QuebecCo shall deliver to such holder, certificates representing the shares of Buyer Stock to which the holder is entitled and a cheque or cheques of QuebecCo payable at par and in U.S. dollars at any branch of the bankers of QuebecCo or of Newco in Canada in payment of the remaining portion, if any, of the total Liquidation Call Purchase Price. If QuebecCo does not exercise the Liquidation Call Right in the manner described above, on the Liquidation Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the liquidation price otherwise payable by Newco in connection with the liquidation, dissolution or winding-up of Newco pursuant to Article 5 of the Exchangeable Share Provisions.

2. QUEBECCO REDEMPTION CALL RIGHT

2.1 QuebecCo shall have the overriding right (the "REDEMPTION CALL RIGHT"), in the event of and notwithstanding the proposed redemption of Exchangeable Shares by Newco pursuant to Article 7 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares to be redeemed on the "AUTOMATIC REDEMPTION DATE" (as defined in Section 1.1 of the Exchangeable Share Provisions) all but not less than all of the Exchangeable Shares held by each such holder that are otherwise to be redeemed which shall be satisfied in full by causing to be delivered to such holder one share of Buyer Stock plus an amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share and all dividends declared on Buyer Stock that have not been declared on such Exchangeable Share in accordance with Section 3.1 of the Exchangeable Share Provisions (collectively the "REDEMPTION CALL PURCHASE PRICE"), provided that if the record date for any such declared and unpaid dividends occurs on or after the Automatic Redemption Date, the Redemption Call Purchase Price shall not include such additional amount equivalent to such dividends. In the event of the exercise of the Redemption Call Right by QuebecCo, each holder shall be obligated to sell all the Exchangeable Shares held by the holder and otherwise to be redeemed to QuebecCo on the Automatic Redemption Date on payment by QuebecCo to the holder of the Redemption Call Purchase Price for each such Exchangeable Share.

2.2 To exercise the Redemption Call Right, QuebecCo must notify Newco and the Stockholders of QuebecCo's intention to exercise such right at least 15 days before the Automatic Redemption Date. Newco or an authorized agent will notify the holders of the Exchangeable Shares as to whether or not QuebecCo has exercised the Redemption Call Right forthwith after the expiry of the period during which the same may be exercised by QuebecCo. If QuebecCo exercises the Redemption Call Right, on the Automatic Redemption Date QuebecCo will purchase and the holders will sell all of the Exchangeable Shares to be otherwise redeemed for a price per Exchangeable Share equal to the Redemption Call Purchase Price.

2.3 For the purposes of completing the purchase of Exchangeable Shares pursuant to the Redemption Call Right, QuebecCo shall deposit with Newco or an authorized agent prior to the Automatic Redemption Date, certificates representing the aggregate number of shares of Buyer Stock deliverable by QuebecCo in payment of the Redemption Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Redemption Call Purchase Price. Provided that the total Redemption Call Purchase Price has

been so deposited with Newco or an authorized agent, on and after the Automatic Redemption Date the rights of each holder of Exchangeable Shares so purchased will be limited to receiving such holder's proportionate part of the Redemption Call Purchase Price payable by QuebecCo upon presentation and surrender by the holder of certificates representing the Exchangeable Shares purchased by QuebecCo from such holder and the holder shall on and after the Automatic Redemption Date be considered and deemed for all purposes (including for purposes of dividend entitlement, if any) to be the holder of the shares of Buyer Stock delivered to such holder. Upon surrender to Newco or an authorized agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the applicable corporate law and the by-laws of Newco and such additional documents and instruments as Newco or the authorized agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and Newco or the authorized agent on behalf of QuebecCo shall deliver to such holder, certificates representing the shares of Buyer Stock to which the holder is entitled and a cheque or cheques of QuebecCo payable at par and in U.S. dollars at any branch of the bankers of QuebecCo or of Newco in Canada in payment of the remaining portion, if any, of the total Redemption Call Purchase Price. If QuebecCo does not exercise the Redemption Call Right in the manner described above, on the Automatic Redemption Date, the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by Newco in connection with the redemption of Exchangeable Shares pursuant to Article 7 of the Exchangeable Share Provisions.

3. QUEBECCO RETRACTION CALL RIGHT

3.1 QuebecCo shall have the overriding right (the "RETRACTION CALL RIGHT"), notwithstanding the proposed retraction of Exchangeable Shares by a Stockholder pursuant to Article 6 of the Exchangeable Share Provisions, to purchase from the holder having exercised the right to cause Newco to redeem on the "RETRACTION DATE" (as defined in Section 6.1 of the Exchangeable Share Provisions) such number of the Exchangeable Shares held by such holder as are subject to the retraction, which shall be satisfied in full by causing to be delivered to such holder one share of Buyer Stock plus an amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share and all dividends declared on Buyer Stock that have not been declared on such Exchangeable Share in accordance with Section 3.1 of the Exchangeable Share Provisions (collectively the "RETRACTION CALL PURCHASE PRICE"), provided that if the record date for any such declared and unpaid dividends occurs on or after the Retraction Date, the Retraction Call Purchase Price shall not include such additional amount equivalent to such dividends. In the event of the exercise of the Retraction Call Right by QuebecCo, each holder shall be obligated to sell all the Exchangeable Shares held by the holder and otherwise to be redeemed to QuebecCo on the Retraction Date on payment by QuebecCo to the holder of the Retraction Call Purchase Price for each such Exchangeable Share.

3.2 Upon receipt by Newco of a "RETRACTION REQUEST" (as defined in Section 6.1 of the Exchangeable Share Provisions), Newco shall immediately notify QuebecCo thereof. To exercise the Retraction Call Right, QuebecCo must notify Newco and the relevant Stockholder of QuebecCo's intention to exercise such right within 10 Business Days of notification by Newco to QuebecCo of the receipt by Newco of a Retraction Request. Newco or an authorized agent will notify the holders of the Exchangeable Shares as to whether or not

QuebecCo has exercised the Retraction Call Right forthwith after the expiry of the period during which the same may be exercised by QuebecCo. If QuebecCo exercises the Retraction Call Right, on the Retraction Date QuebecCo will purchase and the holders will sell all of the Exchangeable Shares to be otherwise redeemed for a price per Exchangeable Share equal to the Retraction Call Purchase Price.

3.3 For the purposes of completing the purchase of Exchangeable Shares pursuant to the Retraction Call Right, QuebecCo shall deposit with Newco or an authorized agent prior to the Retraction Date, certificates representing the aggregate number of shares of Buyer Stock deliverable by QuebecCo in payment of the Retraction Call Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Retraction Call Purchase Price. Provided that the total Retraction Call Purchase Price has been so deposited with Newco or an authorized agent, on and after the Retraction Date the rights of each holder of Exchangeable Shares so purchased will be limited to receiving such holder's proportionate part of the Retraction Call Purchase Price payable by QuebecCo upon presentation and surrender by the holder of certificates representing the Exchangeable Shares purchased by QuebecCo from such holder and the holder shall on and after the Retraction Date be considered and deemed for all purposes (including for purposes of dividend entitlement, if any) to be the holder of the shares of Buyer Stock delivered to such holder. Upon surrender to Newco or an authorized agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the applicable corporate law and the by-laws of Newco and such additional documents and instruments as Newco or the authorized agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and Newco or the authorized agent on behalf of QuebecCo shall deliver to such holder, certificates representing the shares of Buyer Stock to which the holder is entitled and a cheque or cheques of QuebecCo payable at par and in U.S. dollars at any branch of the bankers of QuebecCo or of Newco in Canada in payment of the remaining portion, if any, of the total Retraction Call Purchase Price. If QuebecCo does not exercise the Retraction Call Right in the manner described above, on the Retraction Date, the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the retraction price otherwise payable by Newco in connection with the retraction of Exchangeable Shares pursuant to Article 6 of the Exchangeable Share Provisions.

4. WITHHOLDING RIGHTS

4.1 QuebecCo and Newco shall be entitled to deduct and withhold from the consideration otherwise payable to any holder of Exchangeable Shares, including any dividend payments in respect of the Exchangeable Shares, such amount as QuebecCo or Newco is required to deduct and withhold with respect to such payment under the United States Internal Revenue Code of 1986, as amended, the Income Tax Act (Canada), as amended, or any provision of state, federal, provincial, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of Exchangeable Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or permitted to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder,

QuebecCo and Newco, upon at least 10 days prior written notice to such holder, are hereby authorized to sell or otherwise dispose of at fair market value such portion of such non-cash consideration otherwise payable to the holder as is necessary to provide sufficient funds to QuebecCo or Newco, as the case may be, in order to enable it to comply with such deduction or withholding requirement and QuebecCo or Newco, as the case may be, shall give an accounting to the holder with respect thereof and any balance of such proceeds of sale.

5. STOCKHOLDER PUT RIGHT

5.1 Each Stockholder holding Exchangeable Shares shall have the right (the "PUT RIGHT"), in the event of and notwithstanding the occurrence of a Put Trigger Event (as defined below) to require QuebecCo, on no more than two occasions, to purchase all or a portion of the Exchangeable Shares held by each such holder, which shall be satisfied in full by causing to be delivered to such holder one share of Buyer Stock, plus an amount equivalent to the full amount of all dividends declared and unpaid on such Exchangeable Share and all dividends declared on Buyer Stock which have not been declared on such Exchangeable Share in accordance with the Exchangeable Share Provisions (collectively the "PUT PURCHASE PRICE"), provided that if the record date for any such declared and unpaid dividends occurs on or after the last Business Day prior to the Put Closing Date, the Put Purchase Price shall not include such additional amount equivalent to such dividends. In the event of the exercise of the Put Right by a Stockholder, QuebecCo shall be obliged to purchase such number of Exchangeable Shares as is requested by the holder.

5.2 To exercise the Put Right, a holder of Exchangeable Shares must notify QuebecCo of such holder's intention to exercise such right no later than 10 Business Days after the occurrence of a Put Trigger Event (the "PUT EXERCISE DATE"). If a holder exercises the Put Right, QuebecCo will purchase and such holder will sell all of the Exchangeable Shares then held by such holder for a price per Exchangeable Share equal to the Put Purchase Price. The closing of the transaction resulting from the exercise of a Put Right shall occur on the 10th Business Day following the Put Exercise Date (the "PUT CLOSING DATE").

5.3 For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Put Right, QuebecCo shall deposit with Newco or an authorized agent, prior to the Put Closing Date, certificates representing the aggregate number of shares of Buyer Stock deliverable by QuebecCo in payment of the Put Purchase Price and a cheque or cheques in the amount of the remaining portion, if any, of the total Put Purchase Price. Provided that the total Put Purchase Price has been so deposited with Newco or an authorized agent, on and after the Put Closing Date the rights of each holder of Exchangeable Shares will be limited to receiving such holder's proportionate part of the total Put Purchase Price payable by QuebecCo upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Put Closing Date be considered and deemed for all purposes to be the holder of the shares of Buyer Stock delivered to it. Upon surrender to Newco or an authorized agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the applicable corporate law and the by-laws of Newco and such additional documents and instruments as Newco or the authorized agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to

receive in exchange therefor, and Newco or the authorized agent on behalf of QuebecCo shall deliver to such holder, certificates representing the shares of Buyer Stock to which the holder is entitled and a cheque or cheques of QuebecCo payable at par and in U.S. dollars at any branch of the bankers of QuebecCo or of Newco in Canada in payment of the remaining portion, if any, of the total Put Purchase Price.

5.4 For purposes of this Section, "PUT TRIGGER EVENT" shall mean:

(a) the insolvency or bankruptcy of Newco or the making by Newco of an assignment for the benefit of creditors or the making by Newco of a proposal pursuant to any bankruptcy or debtor relief legislation for the benefit of its creditors or the filing by Newco of a notice of intention to file a proposal or the making or authorization by Newco of any bankruptcy proceeding, petition or application to any tribunal for the appointment of a receiver or trustee for its or for any substantial part of its property;

(b) the insolvency or bankruptcy of Buyer or the making by Buyer of an assignment for the benefit of creditors or the making by Buyer of a proposal pursuant to any bankruptcy or debtor relief legislation for the benefit of its creditors or the filing by Buyer of a notice of intention to file a proposal or the making or authorization by Buyer of any bankruptcy proceeding, petition or application to any tribunal for the appointment of a receiver or trustee for its or for any substantial part of its property;

(c) the failure by Newco to pay dividends otherwise payable on Exchangeable Shares if such failure is not cured within 10 Business Days of a written request therefor;

(d) the failure by Newco to purchase from a Stockholder having exercised his or her right to cause Newco to redeem on the Retraction Date all of the Exchangeable Shares held by such Stockholder that are required by such Stockholder to be redeemed; or

(e) notification by Newco of its intent to redeem under Section 7.1 of Annex C.

5.5 SECTION 85 ELECTIONS

Newco and the Stockholders agree to jointly elect in prescribed form and within the prescribed time under subsection 85(1) of the Income Tax Act (Canada) and relevant provisions of any applicable provincial legislation at the respective amounts selected by each Stockholder to be the proceeds of disposition and the cost of the Purchased Shares sold hereunder. Newco will also collaborate with the Stockholders for any late election made by a Stockholder under the foregoing provisions.

SUPPORT AGREEMENT

MEMORANDUM OF AGREEMENT made as of the 26th day of April, 2000.

BETWEEN:	BENTLEY SYSTEMS, INCORPORATED, a corporation subsisting under the laws of Delaware, (hereinafter referred to as "BUYER"),
AND:	9090-0960 QUEBEC INC, A COMPANY FORMED UNDER THE LAWS OF THE PROVINCE OF QUEBEC, CANADA, (hereinafter referred to as the "COMPANY"),
AND:	THE STOCKHOLDERS LISTED ON SCHEDULE 7, (hereinafter referred to collectively as the "STOCKHOLDERS").

WHEREAS pursuant to a Stock Purchase Agreement dated as of April 26, 2000, by and among Buyer, the Company, HMR Inc. ("HMR") and the Stockholders (such agreement being hereinafter referred to as the "PURCHASE AGREEMENT"), the parties agreed that on the Closing Date (as such term is defined in the Purchase Agreement), Buyer and the Company would execute and deliver a Support Agreement substantially in the form set forth in Annex B to the Purchase Agreement;

AND WHEREAS pursuant to the articles of incorporation of the Company the capital of the Company was authorized to consist of (i) a class of voting common shares (the "COMMON SHARES") and (ii) a class of non-voting shares, the provisions attaching thereto being set forth in Annex C to the Purchase Agreement (the "EXCHANGEABLE SHARES");

AND WHEREAS the above-mentioned articles of incorporation set forth the rights, privileges, restrictions and conditions (collectively the "SHARE PROVISIONS") attaching to the Exchangeable Shares;

AND WHEREAS Buyer's wholly-owned subsidiary, 9090-0952 Quebec Inc. ("QUEBECCO") is the registered and beneficial owner of all of the issued and outstanding Common Shares of the Company and the Stockholders are the registered and beneficial owners of all of the issued and outstanding Exchangeable Shares of the Company;

AND WHEREAS the parties hereto desire to make appropriate provision and to establish a procedure whereby Buyer will take certain actions and make certain payments and deliveries necessary to ensure that the Company will be able to make certain payments and to deliver or cause to be delivered shares of Class B Non-Voting common stock of Buyer ("BUYER STOCK") in satisfaction of the obligations of the Company under the Share Provisions with respect to the payment and satisfaction of dividends, Liquidation Amounts, Retraction Prices and Redemption Prices, all in accordance with the Share Provisions and the Purchase Agreement;

NOW, THEREFORE, in consideration of the respective covenants and agreements provided in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 DEFINED TERMS. Each term denoted herein by initial capital letters and not otherwise defined herein shall have the meaning ascribed thereto in the Share Provisions, unless the context requires otherwise.

1.2 INTERPRETATION NOT AFFECTED BY HEADINGS, ETC. The division of this Agreement into articles, sections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 NUMBER, GENDER, ETC. Words importing the singular number only shall include the plural and vice versa. Words importing the use of any gender shall include all genders.

1.4 DATE FOR ANY ACTION. In the event that any date on or by which any action is required or permitted to be taken under this Agreement is not a Business Day, such action shall be required or permitted to be taken on or by the next succeeding Business Day. For the purposes of this Agreement, a "BUSINESS DAY" means any day other than a Saturday, Sunday or a day when banks are not open for business in Montreal, Quebec, and Philadelphia, Pennsylvania.

ARTICLE 2

COVENANTS OF BUYER AND THE COMPANY

2.1 FUNDING OF THE COMPANY. So long as any Exchangeable Shares which are registered in the name of holders other than Buyer or any of its Affiliates are outstanding, Buyer will:

(a) not declare or pay any dividend on Buyer Stock unless (i) the Company will have sufficient assets, funds and other property available to enable the due declaration and the due and punctual payment in accordance with applicable law, of an equivalent dividend on the Exchangeable Shares and (ii) the Company shall simultaneously declare or pay, as the case may be, an equivalent dividend on the Exchangeable Shares, in each case in accordance with the Share Provisions;

(b) cause the Company to declare simultaneously with the declaration of any dividend on Buyer Stock an equivalent dividend on the Exchangeable Shares and, when such dividend is paid on Buyer Stock, cause the Company to pay simultaneously therewith such equivalent dividend on the Exchangeable Shares, in each case in accordance with the Share Provisions;

(c) advise the Company sufficiently in advance of the declaration by Buyer of any dividend on Buyer Stock and take all such other actions as are necessary, in cooperation with the Company, to ensure that the respective declaration date, record date and payment date for a dividend on the Exchangeable Shares shall be the same as the record date, declaration date and payment date for the corresponding dividend on Buyer Stock;

(d) take all such actions and do all such things as are necessary to enable and permit the Company, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount in respect of each issued and outstanding Exchangeable Share upon the liquidation, dissolution or winding-up of the Company, including without limitation all such actions and all such things as are necessary to enable and permit the Company to cause to be delivered Buyer Stock to the holders of Exchangeable Shares in accordance with the provisions of Article 5 of the Share Provisions;

(e) take all such actions and do all such things as are necessary to enable and permit the Company, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Retraction Price and the Redemption Price, including without limitation all such actions and all such things as are necessary to enable and permit the Company to cause to be delivered Buyer Stock to the holders of Exchangeable Shares, upon the redemption of the Exchangeable Shares in accordance with the provisions of Article 6 or Article 7 of the Share Provisions, as the case may be;

(f) take all such actions and do all such things as reasonably necessary or desirable to enable and permit QuebecCo, in accordance with the applicable law, to perform its obligations arising upon the exercise of the Liquidation Call Right, Redemption Call Right and Retraction Call Right, including without limitation, all such actions and all such things as are necessary or desirable to enable and permit QuebecCo to deliver Buyer Stock to the holders of Exchangeable Shares in accordance with the provisions of the Liquidation Call Right, the Retraction Call Right, or the Redemption Call Right, as the case may be.

(g) take all such actions and do all such things as are necessary to enable and permit the Company to have the financial reserves required so that it does not become insolvent and to avoid any liquidation or dissolution of the Company; and

(h) take all actions within its power to prevent a liquidation or dissolution of the Company.

2.2 RESERVATION OF BUYER STOCK. Buyer hereby represents, warrants and covenants that it has irrevocably reserved for issuance and will at all times keep available, free from pre-emptive and other rights, out of its authorized and unissued capital stock such number of Buyer Stock (or other shares or securities into which Buyer Stock may be reclassified or changed as contemplated by Section 2.6 hereof) (a) as is equal to the number of Exchangeable Shares issued and outstanding from time to time and (b) as are now and may hereafter be required to enable and permit the Company to meet its obligations hereunder and under the Share Provisions.

2.3 NOTIFICATION OF CERTAIN EVENTS. In order to assist Buyer to comply with its obligations hereunder, the Company will give Buyer notice of each of the following events at the time set forth below (it being however agreed that failure to give such notices shall not relieve Buyer of any of its obligations hereunder):

(a) in the event of any determination by the Board of Directors of the Company to institute voluntary liquidation, dissolution or winding up proceedings with respect to the Company or to effect any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, at least (sixty) 60 days prior to the proposed effective date of such liquidation, dissolution, winding up or other distribution;

(b) promptly, upon the earlier of (i) receipt by the Company of notice of, and (ii) the Company otherwise becoming aware of, any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding up of the Company or to effect any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;

(c) immediately, upon receipt by the Company of a Retraction Request;

(d) at least one hundred and twenty (120) days prior to any accelerated Automatic Redemption Date (other than an accelerated Automatic Redemption Date pursuant to an Acquisition of Control) determined by the Board of Directors of the Company in accordance with the Share Provisions; and

(e) as soon as practicable upon the issuance by the Company of any Exchangeable Shares or rights to acquire Exchangeable Shares.

2.4 DELIVERY OF BUYER STOCK. In furtherance of its obligations under Sections 2.1(d) and 2.1(e) hereof, upon notice from the Company of any event which requires the Company to cause Buyer Stock to be delivered to any holder of Exchangeable Shares, Buyer shall forthwith deliver the requisite Buyer Stock to or to the order of the former holder of the surrendered Exchangeable Shares, as the Company shall direct. All such Buyer Stock shall be duly issued as fully paid and nonassessable and shall be free and clear of any lien, claim or encumbrance. In consideration of the delivery of each such Buyer Stock by Buyer, the Company shall issue to Buyer, or as Buyer shall direct, such number of Common Shares of the Company as is equal to the fair value of such Buyer Stock.

2.5 QUALIFICATION OF BUYER STOCK. It is agreed that the Exchangeable Shares will not be registered under the Securities Act of 1933, as amended, and the Buyer Stock issuable in exchange therefor has not been registered under the United States Securities Act of 1933, as amended, nor under the securities law of any other jurisdiction.

2.6 ECONOMIC EQUIVALENCE.

(a) Buyer represents and warrants that if it:

(i) issues or distributes Buyer Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Stock) to the holders of all or substantially all of the then outstanding Buyer Stock by way of stock dividend or other distribution, other than an issue of Buyer Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Stock) to holders of Buyer Stock who exercise an option to receive dividends in Buyer Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Stock) in lieu of receiving cash dividends; or

(ii) issues or distributes rights, options or warrants to the holders of all or substantially all of the then outstanding Buyer Stock entitling them to subscribe for or to purchase Buyer Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Stock); or

(iii) issues or distributes to the holders of all or substantially all of the then outstanding Buyer Stock (A) shares or securities of Buyer of any class other than Buyer Stock (other than shares convertible into or exchangeable for or carrying rights to acquire Buyer Stock), (B) rights, options or warrants other than those referred to in Section 2.6(a)(ii) above, (C) evidences of indebtedness of Buyer or (D) assets of Buyer;

it will ensure that (i) the Company is able under applicable law to issue or distribute the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets simultaneously to holders of the Exchangeable Shares, and (ii) the Company shall issue or distribute such rights, options, securities, shares, evidences of indebtedness or other assets or economic equivalents simultaneously to holders of the Exchangeable Shares;

(b) Buyer represents and warrants that if it:

(i) subdivides, redivides or changes the then outstanding Buyer Stock into a greater number of Buyer Stock; or

(ii) reduces, combines or consolidates or changes the then outstanding Buyer Stock into a lesser number of Buyer Stock; or

(iii) reclassifies or otherwise changes Buyer Stock or effects an amalgamation, merger, reorganization or other transaction affecting Buyer Stock;

it will cause its Common Shares to be voted in favour of any resolution required to enable the Company under applicable law to simultaneously make the same or an economically equivalent change to, or in the rights of the holders of, the Exchangeable Shares;

(c) Buyer will ensure that the record date for any event referred to in Section 2.6(a) or 2.6(b) above, or (if no record date is applicable for such event) the effective date for any such event, is not less than five (5) Business Days after

the date on which such event is declared or announced by Buyer (with simultaneous notice thereof to be given by Buyer to the Company);

(i) in the case of any stock dividend or other distribution payable in Buyer Stock, the number of such shares issued in proportion to the number of Buyer Stock previously outstanding;

(ii) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Buyer Stock (or securities exchangeable for or convertible into or carrying rights to acquire Buyer Stock), the relationship between the exercise price of each such right, option or warrant and the current market value (as determined by the Board of Directors of the Company in the manner above contemplated) of a Buyer Stock;

(iii) in the case of the issuance or distribution of any other form of property (including without limitation any shares or securities of Buyer of any class other than Buyer Stock, any rights, options or warrants other than those referred to in Section 2.6(d)(ii) above, any evidences of indebtedness of Buyer or any assets of Buyer), the relationship between the fair market value (as determined by the Board of Directors of the Company in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Buyer Stock and the current market value (as determined by the Board of Directors of the Company in the manner above contemplated) of a Buyer Stock; and

(iv) in the case of any subdivision, redivision or change of the then outstanding Buyer Stock into a greater number of Buyer Stock or the reduction, combination or consolidation or change of the then outstanding Buyer Stock into a lesser number of Buyer Stock or any amalgamation, merger, reorganization or other transaction affecting Buyer Stock, the effect thereof upon the then outstanding Buyer Stock.

For purposes of the foregoing determinations, the current market value of any security listed and traded or quoted on a securities exchange shall be the weighted average of the closing prices of such security during a period of 30 consecutive trading days ending five (5) trading days before the date of determination on the principal securities exchange on which such securities are listed and traded or quoted; provided, however, that if, in the opinion of the Board of Directors of the Company, the public distribution or trading activity of such securities during such period does not create a market which reflects the fair value of such securities, then the current market value thereof shall be determined by the Board of Directors of the Company, in good faith and in its sole discretion (with the assistance of such reputable and qualified independent financial advisors and/or other experts as the board may require), and provided further that any such determination by the board shall be conclusive and binding on Buyer.

2.7 TENDER OFFERS. In the event that a tender offer, share exchange offer, issuer bid, take-over bid or similar transaction with respect to Buyer Stock (an "OFFER") is proposed by

Buyer or is proposed to Buyer or its shareholders and is recommended by the Board of Directors of Buyer, or is otherwise effected or to be effected, and the Exchangeable Shares are not redeemed by the Company or purchased by Newco pursuant to the Redemption Call Right, Buyer will use its reasonable efforts expeditiously and in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares to participate in such Offer to the same extent and on an economically equivalent basis as the holders of Buyer Stock, without discrimination. Without limiting the generality of the foregoing, Buyer will use its reasonable efforts expeditiously and in good faith to ensure that holders of Exchangeable Shares may participate in all such Offers without being required to retract Exchangeable Shares as against Company (or, if so required, to ensure that any such retraction, shall be effective only upon, and shall be conditional upon, the closing of the Offer and only to the extent necessary to tender or deposit to the Offer).

2.8 RULE 10b-18 PURCHASES. For certainty, nothing contained in this Agreement, including without limitation, the obligations of Buyer contained in Section 2.7 hereof, shall limit the ability of Buyer to make a "Rule 10b-18 Purchase" of Buyer Stock pursuant to Rule 10b-18 of the U.S. Securities Exchange Act of 1934, as amended, or any successor provision thereof.

2.9 BUYER NOT TO VOTE EXCHANGEABLE SHARES. Buyer covenants and agrees that it will not, and will cause its subsidiaries and Affiliates and their respective assignees not to, exercise any voting rights which may be exercisable by holders of Exchangeable Shares from time to time pursuant to the Share Provisions or pursuant to the provisions of the laws of Quebec (or any successor or other corporate statute by which the Company may in the future be governed) with respect to any Exchangeable Shares held by it or by its subsidiaries or Affiliates in respect of any matter considered at any meeting of holders of Exchangeable Shares.

2.10 DUE PERFORMANCE. On and after the Closing Date, Buyer shall duly and timely perform, and shall cause the Company to duly and timely perform, all of its respective obligations provided for in the Purchase Agreement.

2.11 VOLUNTARY DISSOLUTION. Buyer agrees not to cause or approve a voluntary dissolution of the Company prior to the Automatic Redemption Date without the prior consent in writing of all of the Stockholders.

ARTICLE 3

GENERAL

3.1 TERM. This Agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect upon the date on which no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares) are held by any party other than Buyer and any of its Affiliates (other than the Stockholders who shall not for this purpose be considered Affiliates of Buyer).

3.2 CHANGES IN CAPITAL OF BUYER AND THE COMPANY. Notwithstanding the provisions of Section 3.4, at all times after the occurrence of any event effected pursuant to

Section 2.6 or 2.7 hereof, as a result of which either Buyer Stock or the Exchangeable Shares or both are in any way changed, this Agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which Buyer Stock or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such necessary amendments and modifications.

3.3 SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby and this Agreement shall be carried out as nearly as possible in accordance with its original terms and conditions.

3.4 AMENDMENTS, MODIFICATIONS, ETC. This Agreement may not be amended or modified except by an agreement in writing executed by the Company and Buyer and approved by the holders of the Exchangeable Shares in accordance with Section 10.2 of the Share Provisions.

3.5 AMENDMENTS. Notwithstanding the provisions of Section 3.4, the parties to this Agreement may in writing, at any time and from time to time, without the approval of the holders of the Exchangeable Shares, amend or modify this Agreement for the purposes of:

(a) adding to the covenants of any of the parties for the protection of the holders of the Exchangeable Shares;

(b) making such amendments or modifications not inconsistent with this Agreement as may be necessary with respect to matters or questions which, in the determination of the senior management of each of the Company and Buyer, it may be expedient to make, provided that each such senior management shall be of the opinion that such amendments or modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

(c) making such changes or corrections which, on the advice of counsel to the Company and Buyer, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the boards of directors of each of the Company and Buyer shall be of the opinion that such changes or corrections will not be prejudicial to the interests of the holders of the Exchangeable Shares.

3.6 MEETING TO CONSIDER AMENDMENTS. The Company, at the request of Buyer, shall call a meeting or meetings of the holders of the Exchangeable Shares for the purpose of considering any proposed amendment or modification requiring approval pursuant to Section 3.4 hereof. Any such meeting or meetings shall be called and held in accordance with the by-laws of the Company, the Share Provisions and all applicable laws.

3.7 AMENDMENTS ONLY IN WRITING. No amendment to or modification or waiver of any of the provisions of this Agreement otherwise permitted hereunder shall be effective unless made in writing and signed by all of the parties hereto.

3.8 ENUREMENT. This Agreement shall be binding upon and enure to the benefit of the parties hereto, to the holders of Exchangeable Shares and to their respective successors and assigns.

3.9 NOTICES TO PARTIES. All notices and other communications between the parties shall be in writing and shall be deemed to have been given if delivered personally or by confirmed telecopy to the parties at the following addresses (or at such other address for either such party as shall be specified in like notice):

(a) if to Buyer or the Company at:

David G. Nation
Senior Vice President, General Counsel
Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341
Telephone: (610) 458-5000
Fax: (610) 458-3181

(b) if to the Stockholders at:

Stylianos Camateros
c/o HMR, Inc.
1924 Avenue du Cheminot
Beauport, Quebec, Canada, G1E4M11

Any notice or other communication given personally shall be deemed to have been given and received upon delivery thereof and if given by telecopy shall be deemed to have been given and received on the date of confirmed receipt thereof unless such day is not a Business Day in which case it shall be deemed to have been given and received upon the immediately following Business Day.

3.10 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

3.11 JURISDICTION. This Agreement shall be construed and enforced in accordance with the laws of Quebec, Canada.

3.12 ATTORNMENT. Buyer agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Quebec, Canada, waives any objection which it may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the non-exclusive jurisdiction of the said courts in any such action or proceeding, agrees to be bound by any judgment of the said courts and not to seek, and hereby waives, any review of the merits of any such judgment by the courts of any other jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Name: David Nation
Title:

9090-0960 QUEBEC INC.

By: /s/ David Nation

Name: David Nation
Title:

HMR, INC.

By: /s/ Stylianos Camateros

Name: Stylianos Camateros

SOCIETE INNOVATECH QUEBEC ET
CHAUDIERE APPALACHES

By: /s/ Francine Laurent

Name: Francine Laurent

By:

Name:

GROUPE HAUTS-MONTS, INC.

By: /s/ Paul Grenier

Name: Paul Grenier

PLACEMENTS P. GRENIER INC.

By: /s/ Paul Grenier

Name: Paul Grenier

PLACEMENTS MORAS INC.

By: /s/ Pierre Gingras

Name: Pierre Gingras

PLACEMENTS P. SMITH INC.

By: /s/ Paul Smith

Name: Paul Smith

IMMEUBLES CHAMPETTRES, INC.

By: /s/ Paul Grenier

Name: Paul Grenier

STYLIANOS CAMATEROS

By: /s/ Stylianos Camateros

Name: Stylianos Camateros

EXHIBIT 2.5

==========

PURCHASE AND OPTION AGREEMENT

among

BENTLEY SYSTEMS, INCORPORATED,

REBIS

and

THE SHAREHOLDERS NAMED IN SCHEDULE I

Dated as of January 25, 2002

==========

TABLE OF CONTENTS

INDEX TO EXHIBITS

DEFINED TERMS

PURCHASE AND OPTION AGREEMENT

This PURCHASE AND OPTION AGREEMENT (the "Agreement") is dated as of January 25, 2002 among Bentley Systems, Incorporated, a Delaware corporation ("Purchaser"), Rebis, a California corporation (the "Company"), and the several shareholders of the Company named in the attached Schedule I (individually a "Shareholder" and collectively the "Shareholders").

WHEREAS, the Company has authorized but unissued Series A Convertible Preferred Stock, no par value (the "Series A Preferred Stock"), having the terms set forth in the Amended and Restated Certificate of Determination attached hereto as Exhibit A (the "Certificate of Determination");

WHEREAS, the Company wishes to issue and sell to Purchaser 501,932 shares (the "Purchaser Preferred Shares") of Series A Preferred Stock;

WHEREAS, Purchaser wishes to purchase the Purchaser Preferred Shares on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Company and Purchaser each wish to have an option to cause the other to enter into an agreement of merger which will effect the merger of a to-be-formed California corporation that will be a wholly-owned subsidiary of Purchaser (the "Merger Subsidiary") with and into the Company, with the Company as the surviving corporation (the "Merger"). Pursuant to the Merger, Purchaser shall acquire all of the capital stock of the Company that Purchaser does not own after its purchase of the Purchaser Preferred Shares (except those subject to dissenters' rights), the effect of which will be that Purchaser shall own one hundred percent (100%) of the issued and outstanding capital stock of the Company (assuming Purchaser has not transferred any of the Purchaser Preferred Shares); and

WHEREAS, as an inducement to Purchaser to enter into this Agreement, each Shareholder shall agree to vote all shares of Common Stock, no par value, of the Company ("Company Common Stock") held by him in favor of approval and adoption of the Merger and the Agreement of Merger;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties agree as follows:

ARTICLE I

THE PURCHASER PREFERRED SHARES

Section 1.01. Issuance, Sale and Delivery of the Purchaser Preferred Shares and the Purchase Option. Subject to the terms and conditions of this Agreement, at the Initial Closing (as defined below), the Company agrees to issue and sell to Purchaser and Purchaser hereby agrees to purchase from the Company, 501,932 shares of Series A Preferred Stock. In addition, the Company grants Purchaser an option (the "Call Right") to acquire all of the capital stock of the Company that Purchaser does not own after its purchase of the Purchaser Preferred Shares

(such securities, the "Remaining Shares") and Purchaser grants the Company an option (the "Put Right") to sell the Remaining Shares, on the terms and subject to the conditions described in Section 1.03 (collectively, the "Purchase Option"). The aggregate purchase price to be paid by Purchaser for the Purchaser Preferred Shares and the Purchase Option shall be Five Million Dollars ($5,000,000).

Section 1.02. Initial Closing. (a) Time and Place of the Initial Closing. The closing with respect to the sale and purchase of the Purchaser Preferred Shares and the Purchase Option shall take place on the date hereof and simultaneously with the delivery and execution of this Agreement at the offices of Dechert, 4000 Bell Atlantic Tower, 1717 Arch Street, Philadelphia, PA 19103, at 10:00 a.m., Philadelphia time, or at such other location, date and time as may be agreed upon between Purchaser and the Company (such closing being called the "Initial Closing" and such date and time being called the "Initial Closing Date"). At the Initial Closing, the Company shall issue and deliver to Purchaser, a stock certificate or certificates in definitive form, registered in the name of Purchaser, representing the Purchaser Preferred Shares being purchased by Purchaser at the Initial Closing. As payment in full for the Purchaser Preferred Shares being purchased by it under this Agreement, and against delivery of the stock certificate or certificates therefor as aforesaid, and in payment for the Call Right, the Additional Call Right (as defined below) and the other rights of Purchaser related to the Purchase Option set forth herein, on the Initial Closing Date Purchaser shall transfer to the bank accounts designated in Section 1.02(b)(ii)(A) hereof Five Million Dollars ($5,000,000) (the "Initial Closing Payment") by wire transfer.

(b) Deliveries at the Initial Closing.

(i) Deliveries by the Company and the Shareholders to Purchaser. At the Initial Closing, the Company and, with respect to subsections (G) and (H), the Shareholders shall deliver or cause to be delivered the following to Purchaser:

(A) a stock certificate or certificates in definitive form, registered in the name of Purchaser, representing the Purchaser Preferred Shares;

(B) the Articles of Incorporation of the Company, as amended, attached hereto as Exhibit B and the Certificate of Determination (collectively referred to as the "Charter Documents"), certified as of a recent date by the Secretary of State of the State of California;

(C) (1) a complete copy of the Bylaws of the Company as in effect on the Initial Closing Date; and (2) a complete copy of all resolutions adopted by the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and the Registration Rights Agreement (as defined below), the issuance, sale and delivery of the Purchaser Preferred Shares and the reservation, issuance and delivery of the Conversion Shares (as defined below), and a secretary's certificate to the effect that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement and the Registration Rights Agreement.

(D) the Registration Rights Agreement (the "Registration Rights Agreement"), executed by the Company;

(E) an opinion of Pillsbury Winthrop LLP, counsel to the Company, dated the date of the Initial Closing;

(F) the Voting Agreement (as defined below) of each Shareholder, executed by each Shareholder;

(G) the Option Agreement (as defined below) of each Shareholder, executed by each Shareholder; and

(H) such other agreements, certificates and documents as may be reasonably requested by Purchaser.

(ii) Deliveries by Purchaser to the Company and Shareholders. At the Initial Closing, Purchaser shall deliver or cause to be delivered the following to the Company and, with respect to subsection (C), to each Shareholder:

(A) the Initial Closing Payment (of which Four Million Seven Hundred and Twenty-Five Thousand Dollars ($4,725,000) shall be paid to a bank account designated in writing by the Company and of which Two Hundred and Seventy-Five Thousand Dollars ($275,000) shall be paid to a bank account designated in writing by Software Equity Group, L.L.C. ("SEG") in full payment of a fee payable by the Company to SEG at the Initial Closing);

(B) the Registration Rights Agreement, executed by Purchaser;

(C) the Option Agreement of each Shareholder, executed by Purchaser;

(D) an opinion of Dechert, counsel to Purchaser, dated the date of the Initial Closing; and

(E) such other agreements, certificates and documents as may be reasonably requested by the Company.

(iii) Delivery by the Company to the Shareholders. Prior to the Initial Closing, each Shareholder shall deliver or cause to be delivered to the Company certificates in definitive form representing the shares of Company Common Stock set forth beside such Shareholder's name on Schedule 3.07 hereof, and at the Initial Closing, the Company shall return such certificates to each such Shareholder, and each such returned certificate shall bear the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF THE PURCHASE AND OPTION AGREEMENT DATED JANUARY 25, 2002 BY AND AMONG THE COMPANY, PURCHASER AND CERTAIN OF THE SHAREHOLDERS OF THE COMPANY (INCLUDING CERTAIN CO-SALE PROVISIONS CONTAINED THEREIN), THE VOTING AGREEMENT DATED JANUARY 25, 2002 BY AND BETWEEN THE PURCHASER AND THE

SHAREHOLDER, AND THE OPTION AGREEMENT DATED JANUARY 25, 2002 BY AND BETWEEN THE PURCHASER AND THE SHAREHOLDER, COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY.

Section 1.03 Option

(a) Grant of Option. The Purchase Option shall be granted at the Initial Closing. Upon the earlier to occur of (i) ninety (90) days following the Initial Closing, or (ii) the consummation by the Company of the repurchase of certain issued and outstanding shares of Company Common Stock within ninety (90) days following the Initial Closing Date as provided for in Section 7.08 hereof (the "Company Repurchase"), and subject to the other provisions of this Section 1.03, (A) pursuant to the Call Right, Purchaser shall have an option to cause the Company and the Shareholders to enter into an Agreement of Merger in the form attached hereto as Exhibit C (the "Agreement of Merger") and (B) pursuant to the Put Right, the Company shall have an option to cause Purchaser to form Merger Subsidiary and cause Merger Subsidiary to enter into the Agreement of Merger.

(b) Term of Option. The Call Right and the Put Right shall be exercisable in accordance with Section 1.03(g), subject to the consummation of an initial public offering registered under the Securities Act covering the offer and sale to the public for the account of Purchaser of common stock of Purchaser (the "Purchaser IPO"). The Call Right and the Put Right shall terminate (the date of such termination, as it may be extended in accordance herewith, is referred to as the "Termination Date") on March 31, 2003; provided that (i) upon written notice duly given to Purchaser prior to the date sixty (60) days prior to the Termination Date then in effect, the Company shall have the right without the consent of Purchaser to extend the Termination Date with respect to the Call Right, the Put Right and the Additional Call Right (as defined below) until December 31, 2003, and thereafter, the Company shall have the right with the written consent of Purchaser to extend the Termination Date, and (ii) in the event that Purchaser files a registration statement under the Securities Act in connection with a proposed Purchaser IPO prior to the Termination Date, the Termination Date shall automatically be extended, if applicable, until the earlier of the date (A) that is seven months after the filing of such registration statement or (B) on which such registration statement is withdrawn.

(c) Conditions to the Consummation of the Transactions Contemplated by the Put Right and the Call Right. The Company's ability to consummate the transactions contemplated by the Put Right and Purchaser's obligation to honor the Put Right and enter into the Agreement of Merger shall be subject to the satisfaction or waiver of the conditions set forth in Article V hereof. Purchaser's ability to consummate the transactions contemplated by the Call Right and the Company's obligation to honor the Call Right and enter into the Agreement of Merger shall be subject to the satisfaction or waiver of the conditions set forth in Article VI hereof.

(d) Purchase Price. In the event that Purchaser exercises the Call Right or the Company exercises the Put Right, the per share purchase price for the Remaining Shares shall equal an amount (the "Remaining Shares Per Share Purchase Amount") equal to ((A x B) + C) x D / E, where "A" is the initial public offering price per share of Purchaser common stock in the Purchaser IPO times the total number of shares of common stock of Purchaser outstanding on a

fully diluted basis (determined using the treasury method) immediately following the consummation of the Purchaser IPO (including the Purchaser Shares (as defined below)), where "B" is a fraction obtained by dividing (y) the Company's Revenues (as defined in Section 11.16) for the trailing four full quarters before the Purchaser IPO by (z) the sum of Purchaser's Revenues for the trailing four full quarters before the Purchaser IPO plus the Company's Revenues for the trailing four full quarters before the Purchaser IPO, where "C" is an amount equal to the aggregate amount that would have been paid to the Company in cash upon the exercise of Company Options (as defined below) that are Assumed Options (as defined below) on the Subsequent Closing Date, where "D" is the percentage of Fully Diluted Shares (as defined below but excluding Out-of-Money Company Options as defined below) of the Company on the Subsequent Closing Date that are not owned by Purchaser (the "Acquired Percentage"), and where "E" is the total number of Fully Diluted Shares (excluding Out-of-Money Company Options) of the Company on the Subsequent Closing Date that are not owned by Purchaser. "Out-of-Money Company Options" are Company Options with an exercise price greater than (e) the percentage of the Fully Diluted Shares of the Company on the date of the Call Right Notice (as defined below) or the Put Right Notice (as defined below), as applicable, that are not owned by Purchaser, multiplied by (f) the sum of (1) "A" x "B" as defined in the first sentence of this paragraph (except that "A" and "B" shall be calculated based upon information in the preliminary prospectus related to the Purchaser IPO, including using the middle of the proposed range for the initial public offering price per share of Purchaser common stock in the Purchaser IPO and Revenue information concerning each party if such Revenue information is reported in such preliminary prospectus) plus (2) the aggregate amount that would result from the exercise of all Company Options outstanding on the date of the Call Right Notice or Put Right Notice, as applicable, divided by (g) the total number of Fully Diluted Shares outstanding on the date of the Call Right Notice or the Put Right Notice, as applicable. The "Remaining Shares Purchase Amount" shall equal the Remaining Shares Per Share Purchase Amount times the total number of shares outstanding of the Company (not including shares underlying Company Options) on the Subsequent Closing Date that are not owned by Purchaser. Notwithstanding the foregoing, in no event shall the product of "A" x "B" in the first sentence of this paragraph equal less than two times the Company's Revenues for the trailing four full quarters immediately prior to the Purchaser IPO. In addition, notwithstanding the foregoing, in the event that the prospectus used in the Purchaser IPO does not include any historical or pro-forma financial disclosure about the Company, then clause (z) above, which is used in the calculation of "B" in the first sentence of this paragraph, shall equal Purchaser's Revenues for the trailing four full quarters before the Purchaser IPO. In addition, notwithstanding the foregoing, the maximum number of shares of Company Common Stock underlying Company Options plus the maximum number of shares issued upon exercise of Company Options between the Initial Closing Date and the Subsequent Closing Date that may be taken account of in the calculation of the Acquired Percentage shall not be higher than three million five hundred thirteen thousand five hundred twenty-four (3,513,524) minus the number of shares of Company Common Stock outstanding on the Measuring Date. In addition, after the expiration of any over-allotment option granted to the underwriters in connection with the Purchaser IPO, if the underwriters exercised such over-allotment option, to the extent the shares of Purchaser common stock issued upon exercise of such over-allotment option were not taken account of in the calculation of "A" in the first sentence of this paragraph at the Subsequent Closing Date, the Remaining Shares Per Share Purchase Amount calculated at the Subsequent Closing Date shall be re-calculated such that "A" in such recalculation takes

account of the shares of Purchaser common stock issued upon exercise of such over-allotment option that were not taken account of in the calculation of "A" at the Subsequent Closing Date, and the positive difference between the Remaining Shares Per Share Purchase Amount as calculated pursuant to this sentence and as calculated on the Subsequent Closing Date shall be distributed to the former shareholders of the Company. The "Measuring Date" shall be the date that is the earlier to occur of (A) the ninety-first (91st) day after the Initial Closing Date; or (B) the first day after the date on which the Company informs Purchaser pursuant to Section 11.08 hereof that the Company Repurchase is complete.

The Remaining Shares Purchase Amount shall be paid in a combination of cash and shares of Purchaser common stock (valued at the public offering price per share in the Purchaser IPO) (the "Purchaser Shares"), such that the cash paid by Purchaser shall equal seventy percent (70%) of the Remaining Shares Purchase Amount. The balance of the Remaining Shares Purchase Amount shall be payable in Purchaser Shares. The Purchaser Shares shall have registration rights pursuant to the terms of a Registration Rights Agreement in substantially the form attached hereto as Exhibit D (the "Purchaser Shares Registration Rights Agreement"). On the Subsequent Closing Date (as defined below), each outstanding share of Company Common Stock (other than shares of Company Common Stock held by Purchaser and dissenting shares of Company Common Stock) shall be converted into the right to receive the Remaining Shares Per Share Purchase Amount (less the pro rata portion of the fee due to SEG), with each share being converted into the same combination of Purchaser Shares and cash. Company Options shall be treated as set forth in Section 1.03(i)(A) hereof.

(e) Additional Call Right. On or after one hundred eighty (180) days following the Initial Closing Date, in addition to the Call Right, Purchaser shall have an option (the "Additional Call Right"), subject to the satisfaction or waiver by the party entitled to waive the same of the conditions set forth in Article VI hereof, to cause the Company and the Shareholders to enter into the Agreement of Merger. In the event that Purchaser exercises the Additional Call Right, the per share purchase price for the Remaining Shares and the Company Options (excluding Additional Call Right Out-of-Money Options (as defined below)) (the "Additional Call Right Per Share Purchase Amount") shall equal (i) the percentage of Fully Diluted Shares (excluding Additional Call Right Out-of-Money Options) of the Company on the Subsequent Closing Date that are not owned by Purchaser multiplied by (ii) the sum of (A) two times the Company's Revenues for the trailing four full quarters at the time of such exercise plus (B) the aggregate amount that would have been paid to the Company in cash upon the exercise of Company Options outstanding on the Subsequent Closing Date that are not Additional Call Right Out-of-Money Options divided by (iii) the total number of Fully Diluted Shares (excluding Additional Call Right Out-of-Money Options) of the Company on the Subsequent Closing Date that are not owned by Purchaser. The "Additional Call Right Purchase Amount" shall equal (a) the Additional Call Right Per Share Purchase Amount multiplied by the total number of Fully Diluted Shares (excluding Additional Call Right Out-of-Money Options) of the Company on the Subsequent Closing Date that are not owned by Purchaser minus (b) the aggregate amount that would have been paid to the Company in cash upon the exercise of Company Options outstanding on the Subsequent Closing Date that are not Additional Call Right Out-of-Money Options. The Additional Call Right Purchase Amount shall be payable, at the option of Purchaser, in cash at the Subsequent Closing (as defined below), or at least one-third in cash at the Subsequent Closing and the remainder in the form of promissory notes of Purchaser in the

form attached hereto as Exhibit E (the "Purchaser Promissory Notes"). Company Options shall be treated as set forth in Section 1.03(i)(B) hereof. The Purchaser Promissory Notes will be dated the date of the Subsequent Closing and will be payable in cash to each shareholder of the Company (other than Purchaser and dissenting shareholders) in two equal annual installments for the remaining amount of the Additional Call Right Purchase Amount payable to each such shareholder of the Company, the first such installment to be payable one year after the Subsequent Closing. The Purchaser Promissory Notes shall bear interest at a rate equal to the interest rate in effect from time to time under any revolving credit facility of Purchaser in excess of $5,000,000 or, if Purchaser does not have such a revolving credit facility, at a rate equal to the annual prime interest rate published in The Wall Street Journal from time to time plus one percent (1%). The Purchaser Promissory Notes shall further provide that the installment payments shall accelerate and become immediately due and payable (A) upon the consummation of the Purchaser IPO, (B) upon the consummation of a sale by Purchaser of its equity securities for cash, provided that the accelerated amount will be limited to the net proceeds that are not to be used to redeem any securities of Purchaser outstanding on the Initial Closing Date or (C) upon the consummation of a sale of fifty percent (50%) or more of the stock or assets of Purchaser or a merger or similar reorganization of Purchaser that results in Purchaser's shareholders immediately prior to such transaction holding less than fifty percent (50%) of the voting power of the surviving, continuing or purchasing entity. Notwithstanding the foregoing, in the event Purchaser exercises the Additional Call Right and so acquires the Remaining Shares, if a Purchaser IPO is consummated prior to twelve (12) months after the Termination Date in effect at the time Purchaser exercises the Additional Call Right, the shareholders of the Company that sell the Remaining Shares to Purchaser and the holders of Company Options outstanding on the Subsequent Closing Date that are not Additional Call Right Out-of-Money Options shall be entitled to receive from Purchaser, on the date the Purchaser IPO is consummated, for each such Remaining Share or each share underlying such Company Options that are not Additional Call Right Out-of-Money Options held by such holders, additional consideration in cash (the "Additional Call Right Look Back") equal to the excess, if any, net of fees due to SEG equal to five and one-half percent (5 -1/2%) of such excess, which shall also be deducted from the Additional Call Right Look Back and paid by Purchaser on behalf of such holders to SEG on the date the Purchaser IPO is consummated, of the Alternate Additional Call Right Per Share Purchase Amount (as defined below) over the Additional Call Right Per Share Purchase Amount. The "Alternate Additional Call Right Per Share Purchase Amount" is equal to ((A x B) + C) x D/E, where "A" is the initial public offering price per share of Purchaser common stock in the Purchaser IPO multiplied by the total number of shares of common stock of Purchaser outstanding on a fully diluted basis (determined using the treasury method) immediately following the consummation of the Purchaser IPO, where "B" is a fraction obtained by dividing (y) the Company's Revenues for the trailing four full quarters before the exercise of the Additional Call Right by (z) the sum of Purchaser's Revenues for the trailing four full quarters before the exercise of the Additional Call Right plus the Company's Revenues for the trailing four full quarters before the exercise of the Additional Call Right, where "C" is the aggregate amount that would have been paid to the Company in cash upon the exercise of Company Options outstanding on the Subsequent Closing Date that were not Additional Call Right Out-of-Money Options, where "D" is the percentage of Fully Diluted Shares (excluding Additional Call Right Out-of-Money Options) of the Company on the Subsequent Closing Date that were not owned by Purchaser, and where "E" is the total number of Fully Diluted Shares (excluding

Additional Call Right Out-of-Money Options) of the Company on the Subsequent Closing Date that were not owned by Purchaser. In addition, after the expiration of any over-allotment option granted to the underwriters in connection with the Purchaser IPO, if the underwriters exercised such over-allotment option, to the extent the shares of Purchaser common stock issued upon exercise of such over-allotment option were not taken account of in the calculation of "A" in the immediately preceding sentence, the Alternate Additional Call Right Per Share Purchase Amount shall be re-calculated such that "A" in such recalculation takes account of the shares of Purchaser common stock issued upon exercise of such over-allotment option that were not taken account of in the initial calculation of "A," and the positive difference between the Alternate Additional Call Right Per Share Purchase Amount as calculated pursuant to this sentence and as initially calculated shall be distributed to the former shareholders of the Company. "Additional Call Right Out-of-Money Options" are Company Options outstanding on the date of the Additional Call Right Notice (as defined below) with an exercise price greater than (e) the percentage of the Fully Diluted Shares of the Company on the date of the Additional Call Right Notice that are not owned by Purchaser, multiplied by (f) the sum of (1) two times the Company's Revenues for the trailing four full quarters at the time of the exercise of the Additional Call Right plus (2) the aggregate amount that would result from the exercise of all Company Options outstanding on the date of the Additional Call Right Notice, divided by (g) the total number of Fully Diluted Shares of the Company outstanding on the date of the Additional Call Right Notice.

(f) Rights After the Termination Date.

(i) In the event that the Company does not elect to extend the Termination Date to December 31, 2003 as provided in Section 1.03(b), and the Call Right, the Put Right and the Additional Call Right expire unexercised, the Company shall have an option, subject to Section 1.03(f)(ii) below, exercisable prior to the consummation of a Company Liquidity Event (as defined below) or a Company IPO (as defined below) and no later than three years after the Termination Date, to repurchase the Purchaser Preferred Shares from Purchaser, and Purchaser shall have an option, exercisable within 90 days after the Termination Date, to sell the Purchaser Preferred Shares to the Company, free and clear of all liens, charges, claims, and encumbrances other than those imposed by or through the Company, for an aggregate price equal to Three Million Five Hundred Thousand Dollars ($3,500,000), payable in cash or pursuant to the terms of the First Company Promissory Note (as defined below). Notwithstanding the foregoing, if the Call Right, the Put Right and the Additional Call Right expire unexercised after the consummation of the Purchaser IPO, Purchaser shall not have such option to sell the Purchaser Preferred Shares to the Company. In the event that the Company elects to extend the Termination Date to December 31, 2003 as provided in Section 1.03(b), and the Call Right, the Put Right and the Additional Call Right expire unexercised, the Company shall have an option, exercisable within three years after the Termination Date, to repurchase the Purchaser Preferred Shares from Purchaser for an aggregate price equal to Three Million Dollars ($3,000,000), payable in cash or pursuant to the terms of the First Company Promissory Note.

(ii) The Company may exercise its option to repurchase the Purchaser Preferred Shares referred to in Section 1.03(f)(i), in whole or in part from time to time during the period set forth in subsection (f)(i) above (the "Repurchased Preferred Shares"); provided that partial exercises shall be for not less than 125,483 shares of the Purchaser Preferred Shares. In the event that Purchaser exercises its option referred to in Section 1.03(f)(i) to sell the Purchaser

Preferred Shares to the Company or the Company exercises its option referred to in Section 1.03(f)(i) to repurchase such shares, the Company may pay for the Purchaser Preferred Shares in three equal annual installments, pursuant to the terms of a promissory note in the form attached hereto as Exhibit F (the "First Company Promissory Note"). The First Company Promissory Note will be dated the date of the closing of such sale and will provide that the first installment will be due in cash on the first anniversary of the closing of such sale. The First Company Promissory Note shall further provide that all such installments shall accelerate and become immediately due upon completion of a Company Liquidity Event. "Company Liquidity Event" means a sale of fifty percent (50%) or more of the stock or assets of the Company or a merger of the Company that results in the Company's shareholders immediately prior to such transaction holding less than fifty percent (50%) of the voting power of the surviving, continuing or purchasing entity.

(iii) In the event that the Call Right, the Put Right and the Additional Call Right expire unexercised and the Company exercises its option to repurchase the Purchaser Preferred Shares from Purchaser under Section 1.03(f)(i) (but not if Purchaser exercises its option under Section 1.03(f)(i) to sell the Purchaser Preferred Shares to the Company) and within one year after the closing of any such repurchase there is a Company Liquidity Event or an initial public offering of equity securities of the Company (a "Company IPO") that is not a Company Liquidity Event, Purchaser shall be entitled to be paid additional consideration, if any, equal to the Look-Back Amount. The "Look-Back Amount" shall be equal to the positive difference between the consideration payable to Purchaser as a result of such repurchase and (A) in the case of a Company Liquidity Event in which the valuation of the Company upon which the Company Liquidity Event was based exceeded $28,000,000, the consideration Purchaser would have been entitled to if it had disposed of the Repurchased Preferred Shares (or shares of Company Common Stock underlying the Repurchased Preferred Shares) in such Company Liquidity Event, or (B) in the case of a Company IPO that is not a Company Liquidity Event, in which the aggregate valuation of the Company (based upon the market capitalization of the Company immediately following the Company IPO) exceeds $28,000,000, the value of the Repurchased Preferred Shares (on an as converted basis) at the Company IPO price per share; provided, however, that in no event shall the total amount paid for the Repurchased Preferred Shares (including the Look-Back Amount and any prior payments made for the Repurchased Preferred Shares) exceed $5,000,000.

(iv) Any closing under this Section 1.03(f) shall take place on the date that is 30 days after written notice of the exercise of an option under Section 1.03(f) has been delivered pursuant to Section 11.08 hereof by the exercising party to the other party, and such closing shall take place at the offices of Dechert, 4000 Bell Atlantic Tower, 1717 Arch Street, Philadelphia, PA 19103, at 10:00 a.m., Philadelphia time, or at such other location, date and time as may be agreed upon between Purchaser and the Company.

(g) Exercise of Call Right, Put Right and Additional Call Right.

(i) Exercise of Call Right and Put Right. Purchaser shall deliver to the Company written notice pursuant to Section 11.08 hereof of its intention to exercise (such notice, the "Call Right Notice") or not to exercise (such notice, the "Declining Notice") the Call Right not more than 5 days after the initial filing by Purchaser under the Securities Act with the

Securities and Exchange Commission (the "Commission") of a registration statement for the Purchaser IPO (the date of such initial filing, the "Initial Filing Date"). The closing in connection with the Call Right shall be subject to the consummation of the Purchaser IPO and the satisfaction of or waiver by the party entitled to waive the same of the conditions set forth in Article V and Article VI hereof. If the Company intends to exercise the Put Right, it shall deliver to Purchaser written notice pursuant to Section 11.08 hereof (the "Put Right Notice") of such intention not more than 20 days after the Company's receipt of the Declining Notice, after which 20 day period, the Put Right shall automatically terminate. The closing in connection with the Put Right shall be subject to the consummation of the Purchaser IPO and the satisfaction of or waiver by the party entitled to waive the same of the conditions set forth in Article V and Article VI hereof. Within twenty (20) days after the date of the Call Right Notice or the Put Right Notice, as applicable, provided that a Purchaser Material Adverse Effect (as defined below) does not exist, the Company shall convene a meeting or obtain the consent of the shareholders of the Company for the purpose of approving the Agreement of Merger and the Merger.

(ii) Exercise of the Additional Call Right. The Additional Call Right may be exercised by Purchaser at any time on or after one hundred eighty (180) days following the Initial Closing Date by written notice to the Company pursuant to Section 11.08 hereof (the "Additional Call Right Notice").

(h) Subsequent Closing; Escrow; Additional Purchaser Right. (i) Provided that Purchaser or the Company, as the case may be, shall have exercised the Call Right or the Put Right, as the case may be, the closing with respect to the exercise of the Call Right or the Put Right shall take place at the offices of Dechert, 4000 Bell Atlantic Tower, 1717 Arch Street, Philadelphia, PA 19103, at 10:00 a.m., Philadelphia time, after the conditions set forth in Article V and Article VI hereof are satisfied or waived by the party entitled to waive the same concurrently with the closing of the Purchaser IPO or as soon as reasonably practicable thereafter, at Purchaser's option. Provided that Purchaser shall have exercised the Additional Call Right, the closing with respect to the Additional Call Right shall take place at such offices of Dechert at 10:00 a.m., Philadelphia time, five (5) business days after the date on which all the conditions set forth in Article V and Article VI hereof with respect to the Additional Call Right have been satisfied or waived by the party entitled to waive the same, or at such other location, date and time as may be agreed upon between Purchaser and the Company. The closing related to the exercise of the Call Right, the Put Right or the Additional Call Right shall be referred to as the "Subsequent Closing," and the date and time of the Subsequent Closing shall be referred to as the "Subsequent Closing Date."

(ii) At the Subsequent Closing in connection with the exercise of the Put Right, Call Right or the Additional Call Right, the Company and the Shareholders shall deliver to Purchaser a certificate dated the Subsequent Closing Date and signed by the President and Chief Financial Officer of the Company and by each Shareholder certifying that, subject to the updated disclosure schedules related to such representations and warranties delivered by the Company and the Shareholders concurrently with the delivery of such certificate and attached to such certificate, the representations and warranties of the Company and the Shareholders contained in this Agreement not qualified as to materiality shall be true and correct in all material respects, and the representations and warranties that are qualified as to materiality shall be true

and correct in all respects, in each case as of the Subsequent Closing Date as if made on and as of the Subsequent Closing Date, except to the extent that such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date). Notwithstanding the fact that a representation and warranty of the Company and the Shareholders delivered on the Initial Closing Date was not made subject to any disclosure set forth on a disclosure schedule, the Company and the Shareholders shall be permitted to deliver such a disclosure schedule in connection with such representation and warranty at the Subsequent Closing, and in no event shall the mere addition of any such updated disclosure at the Subsequent Closing give rise to any liability for a breach of representation or warranty on the part of the Company or the Shareholders pursuant to Article X hereof. To the extent that there is a balance sheet of any Joint Venture dated as of a date reasonably close to the Subsequent Closing Date and prepared in accordance with generally accepted accounting principles consistently applied, the Company may deliver and represent and warrant the accuracy of such balance sheet in lieu of the representation and warranty set forth in Section 2.06(d) hereof.

(iii) At the Subsequent Closing in connection with the exercise of the Additional Call Right, if Purchaser elects to pay a portion of the Additional Call Right Purchase Amount pursuant to the Purchaser Promissory Notes, Purchaser shall deliver to the Company a certificate dated the Subsequent Closing Date and signed by an authorized officer of Purchaser certifying that, subject to the updated disclosure schedules to such representations and warranties delivered by Purchaser concurrently with the delivery of such certificate and attached to such certificate, the representations and warranties of Purchaser contained in this Agreement not qualified as to materiality shall be true and correct in all material respects, and the representations and warranties that are qualified as to materiality shall be true and correct in all respects, in each case as of the Subsequent Closing Date as if made on and as of the Subsequent Closing Date, except to the extent that such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct as of such earlier date). Notwithstanding the fact that a representation and warranty of Purchaser delivered on the Initial Closing Date was not made subject to any disclosure set forth on a disclosure schedule, Purchaser shall be permitted to deliver such a disclosure schedule in connection with such representation and warranty at the Subsequent Closing, and in no event shall the mere addition of any such updated disclosure at the Subsequent Closing give rise to any liability for a breach of representation or warranty on the part of Purchaser pursuant to Article X hereof.

(iv) At the Subsequent Closing, subject to Section 7.12(c) hereof, Purchaser shall deliver the Remaining Shares Purchase Amount or the Additional Call Right Purchase Amount, as applicable, pursuant to the terms of the Agreement of Merger; provided, however, that subject to Section 1.03(i) hereof, in full payment of the fee then due to SEG, the Company and the Shareholders direct that five and one-half percent (5 -1/2%) of the Remaining Shares Purchase Amount or the Additional Call Right Purchase Amount, as applicable, shall be paid on their behalf to SEG out of the cash portion of the Remaining Shares Purchase Amount or the Additional Call Right Purchase Amount, as applicable; provided, however, that if the Subsequent Closing is the result of the exercise of the Call Right or the Put Right, Purchaser shall deposit or cause to be deposited with a bank or trust company mutually agreed upon by Purchaser and the Company (the "Escrow Agent") that number of Purchaser Shares having a

value (measured at the initial public offering price per share of Purchaser common stock in the Purchaser IPO) equal to ten percent (10%) of the Remaining Shares Purchase Amount (all of which Purchaser Shares equal to ten percent (10%) of the Remaining Shares Purchase Amount shall be Purchaser Shares to be delivered to the Shareholders as part of the Remaining Shares Purchase Amount, and the number of such Purchaser Shares of each Shareholder to be deposited shall be based upon such Shareholder's ownership percentage of shares of Company Common Stock on the Initial Closing Date) to be held and disbursed in accordance with the terms of an Escrow Agreement in substantially the form attached hereto as Exhibit G (the "Escrow Agreement"); provided further, however, that if the Subsequent Closing is the result of the exercise of the Additional Call Right, and Purchaser elects to pay the Additional Call Right Purchase Amount in cash at the Subsequent Closing rather than one-third in cash at the Subsequent Closing and the remainder pursuant to Purchaser Promissory Notes, Purchaser shall deposit or cause to be deposited with the Escrow Agent an amount of cash equal to ten percent (10%) of the Additional Call Right Purchase Amount (all of which cash equal to ten percent (10%) of the Additional Call Right Purchase Amount shall be cash to be paid to the Shareholders as part of the Additional Call Right Purchase Amount, and the amount of cash from each Shareholder to be deposited shall be based upon such Shareholder's ownership percentage of shares of Company Common Stock on the Initial Closing Date) to be held and disbursed in accordance with the terms of the Escrow Agreement.

(v) In the event that the Call Right, the Put Right or the Additional Call Right is properly exercised, and all the conditions set forth in Article V or Article VI hereof (except for Section 6.01(c)(ii)) have been satisfied or waived by the party entitled to waive the same, and the shareholders of the Company do not duly adopt and approve by the requisite vote the Agreement of Merger and the Merger, Purchaser shall have an option, exercisable within ninety (90) days after the date on which the vote of the shareholders of the Company concerning the adoption and approval of the Agreement of Merger and the Merger is taken, to sell the Purchaser Preferred Shares to the Company, for an aggregate price equal to Five Million Dollars ($5,000,000) plus interest accruing from the Initial Closing Date until such aggregate price has been paid in full at a rate equal to the annual prime rate of interest published in The Wall Street Journal from time to time plus one percent (1%). In the event that Purchaser exercises its option to sell the Purchaser Preferred Shares referred to in this Section 1.03(h)(v), the Company may pay for the Purchaser Preferred Shares, at the Company's option, in a lump sum in cash or in three equal annual installments, with the first such installment due 30 days after such exercise and the second and third such installments due on each of the two subsequent yearly anniversaries thereafter, pursuant to the terms of a promissory note in the form attached hereto as Exhibit H (the "Second Company Promissory Note"). The Second Company Promissory Note shall further provide that all such installments shall accelerate and become immediately due upon completion of a Company Liquidity Event.

(i) Treatment of Company Stock Options at the Subsequent Closing. (A) At the Subsequent Closing in connection with the exercise of the Call Right or the Put Right, all Company Options pursuant to which the price per share that would be paid to the Company upon exercise is less than the Remaining Shares Per Share Purchase Amount (collectively, the "Assumed Options"), shall be assumed by Purchaser and shall thereafter constitute options to purchase shares of Purchaser's common stock. For purposes of this Agreement, any Company Option that the Company has promised to grant to individuals who are employees of the

Company as of the Subsequent Closing shall have been granted pursuant to the terms of the Company's 1994 Stock Option Plan (the "Company Stock Option Plan") and shall be outstanding immediately prior to the Subsequent Closing. All rights with respect to Company Common Stock under the outstanding Assumed Options shall thereupon be converted into rights with respect to shares of common stock of Purchaser. Between the Initial Closing Date and the Subsequent Closing Date in connection with the exercise of the Call Right or the Put Right, the Company shall take appropriate actions to fully vest each Assumed Option effective immediately prior to the Subsequent Closing, except to the extent such accelerated vesting could result in the payment of any "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, from and after the Subsequent Closing, (i) each Assumed Option assumed by Purchaser may be exercised solely for shares of common stock of Purchaser, (ii) the number of shares of common stock of Purchaser subject to each Assumed Option shall be equal to the number of shares of Company Common Stock that were subject to such Assumed Option immediately prior to the Subsequent Closing multiplied by the Conversion Rate (as defined below), multiplied by ninety-four and one-half percent (94 -1/2%), rounded up to the nearest whole number of shares of common stock of Purchaser, (iii) the per share exercise price for the shares of common stock of Purchaser issuable upon exercise of each such Assumed Option shall be determined by dividing the exercise price per share of Company Common Stock subject to such Assumed Option, as in effect immediately prior to the Subsequent Closing, by the Conversion Rate, and rounding the resulting exercise price up to the nearest whole cent, and (iv) each such Assumed Option shall be subject to a Purchaser stock option plan, and the other terms of such Company Option shall remain unchanged; provided, however, that each such Assumed Option shall, in accordance with its terms, be subject to further adjustment as appropriate to reflect any stock split, reverse stock split, stock dividend, recapitalization, or other similar transaction effected by Purchaser after the Subsequent Closing. At the Subsequent Closing, Purchaser will pay SEG an additional fee with respect to each Assumed Option equal to five and one-half percent (5 1/2%) of the difference between (A) the Remaining Shares Per Share Purchase Amount multiplied by the number of shares of Company Common Stock that were subject to such Assumed Option immediately prior to the Subsequent Closing minus (B) the aggregate exercise price of such Assumed Option. The Company and Purchaser shall take all action that may be necessary (under the Company Stock Option Plan and otherwise) to effectuate the provisions of this Section 1.03(i). The "Conversion Rate" shall equal the Remaining Shares Per Share Purchase Amount divided by the initial public offering price per share of Purchaser common stock in the Purchaser IPO. Between the Initial Closing Date and the Subsequent Closing Date in connection with the exercise of the Call Right or the Put Right, the Company shall take appropriate actions to (i) fully vest each Out-of-Money Company Option, (ii) give the holder of each such Out-of-Money Company Option seven days after such vesting occurs to exercise the Out-of-Money Company Option, and (iii) provide for the expiration of each such Out-of-Money Company Option at the end of such seven-day period (the "Option Expiration Date"), which Option Expiration Date shall be at least fourteen days prior to the Subsequent Closing Date. The Company may permit holders of such Out-of-Money Company Options to make their exercise conditional on the occurrence of the Subsequent Closing, provided that written notice of any such conditional exercise is provided to the Company prior to the Option Expiration Date and is accompanied by the full price payable upon exercise in cash. At or prior to the Subsequent Closing Date in connection with the exercise of the Call Right or the Put Right, Purchaser shall take all corporate action necessary to reserve for

issuance a sufficient number of shares of common stock of Purchaser for delivery upon exercise of Assumed Options assumed by Purchaser in accordance with this Section 1.03(i). After a Subsequent Closing in connection with the exercise of the Call Right or the Put Right, Purchaser shall file a registration statement on Form S-8 (or any successor or other appropriate form) with respect to the shares underlying the Assumed Options at the same time that Purchaser does so in connection with any stock options issued prior to the Subsequent Closing under a Purchaser stock option plan and shall use all reasonable efforts to maintain the effectiveness of such registration statement (and maintain the current status of the prospectus or prospectuses contained therein) for so long as such options remain outstanding.

(B) At the Subsequent Closing in connection with the exercise of the Additional Call Right, all Company Options pursuant to which the price per share that would be paid to the Company upon exercise is less than the Additional Call Right Per Share Purchase Amount shall be cancelled by the Company, and the Company shall pay each holder of such Company Options, which payment shall be made out of the Additional Call Right Purchase Amount, for each such option, an amount equal to the Additional Call Right Per Share Purchase Amount multiplied by the number of shares of Company Common Stock subject to such option minus the aggregate exercise price of such option; provided that the holders of such Company Options shall also be entitled to the additional consideration provided for in Section 1.03(e) in the event of an Additional Call Right Look Back. Such amount shall be paid in the same proportion of cash and Purchaser Promissory Notes as payments are made to shareholders of the Company pursuant to Section 1.03(e) hereof. Between the Initial Closing Date and the Subsequent Closing Date in connection with the exercise of the Additional Call Right, the Company shall take appropriate actions to (i) fully vest each Additional Call Right Out-of-Money Option, (ii) give the holder of each such Additional Call Right Out-of-Money Option seven days after such vesting occurs to exercise the Additional Call Right Out-of-Money Option, and (iii) provide for the expiration of each such Additional Call Right Out-of-Money Option at the end of such seven-day period (the "Additional Call Right Option Expiration Date"), which Additional Call Right Option Expiration Date shall be at least fourteen days prior to the Subsequent Closing Date. The Company may permit holders of such Additional Call Right Out-of-Money Options to make their exercise conditional on the occurrence of the Subsequent Closing, provided that written notice of any such conditional exercise is provided to the Company prior to the Additional Call Right Option Expiration Date and is accompanied by the full price payable upon exercise in cash.

(C) "Company Options" means the options to purchase shares of Company Common Stock that are outstanding immediately prior to the Subsequent Closing pursuant to the Company Stock Option Plan, whether or not vested.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Purchaser as follows:

Section 2.01. Organization, Qualifications and Corporate Power.

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of California and, except as set forth in Schedule 2.01(a) attached hereto, is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification. The Company has the corporate power and corporate authority to own and hold its properties and to carry on its business as now conducted, to execute, deliver and perform this Agreement and the Registration Rights Agreement, to issue, sell and deliver the Purchaser Preferred Shares and to issue and deliver the Company Common Stock issuable upon conversion of the Purchaser Preferred Shares (the "Conversion Shares").

(b) Except for the entities listed on Schedule 2.01(b) attached hereto the Company does not (i) own of record or beneficially, directly or indirectly, (A) any shares of capital stock or securities convertible into capital stock of any other corporation or (B) any participating interest in any partnership, joint venture or other non-corporate business enterprise or (ii) control, directly or indirectly, any other entity. Each entity listed on Schedule 2.01(b) of which the Company owns more than fifty percent (50%) of the voting stock (collectively, the "Subsidiaries") is a company duly formed, validly existing and in good standing under the laws of the jurisdiction under which it has been formed and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification. Each entity listed on Schedule 2.01(b) of which the Company does not own more than fifty percent (50%) of the voting stock (collectively, the "Joint Ventures") is a company duly formed, validly existing and in good standing under the laws of the jurisdiction under which it has been formed and, to the knowledge of the Company after reasonable inquiry, is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification. Each Subsidiary has the power and authority to own and hold its properties and to carry on its business as now conducted. To the knowledge of the Company after reasonable inquiry, each Joint Venture has the power and authority to own and hold its properties and to carry on its business as now conducted.

Section 2.02. Authorization of Agreements, Etc.

(a) The execution and delivery by the Company of this Agreement and the Registration Rights Agreement, the performance by the Company of its obligations hereunder and thereunder, the issuance, sale and delivery of the Purchaser Preferred Shares and the issuance and delivery of the Conversion Shares have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, the Charter Documents or the Bylaws of the Company, as amended, except as set forth in Schedule 2.02(a) attached hereto, the governing documents of any Subsidiary, as amended, the governing documents of any Joint Venture, as amended, or any provision of any indenture, agreement or other instrument to which the Company, any Subsidiary, to the knowledge of the Company after reasonable inquiry, any Joint Venture or any of the properties or assets of the Company, any Subsidiary or to the knowledge of the Company after reasonable inquiry, any Joint Venture is bound, or 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, restriction, claim or encumbrance of any nature whatsoever upon any of the properties or assets of the Company, any Subsidiary or to the knowledge of the Company after reasonable inquiry, any Joint Venture.

(b) The Purchaser Preferred Shares have been duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and nonassessable shares of Series A Convertible Preferred Stock and will be free and clear of all liens, charges, claims and encumbrances imposed by or through the Company. The Conversion Shares have been duly reserved for issuance upon conversion of the Purchaser Preferred Shares and, when so issued, will be duly authorized, validly issued, fully paid and nonassessable shares of Common Stock and will be free and clear of all liens, charges, claims and encumbrances imposed by or through the Company. Neither the issuance, sale or delivery of the Purchaser Preferred Shares nor the issuance or delivery of the Conversion Shares is subject to any preemptive right of shareholders of the Company or to any right of first refusal or other right in favor of any person which has not been waived.

(c) The Company and each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture, are in full compliance with all of the terms and provisions of their respective governing documents.

Section 2.03. Validity. This Agreement and the Registration Rights Agreement have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium or other similar federal or state laws affecting the rights of creditors; (ii) the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity); and (iii) to the extent the indemnification provisions contained in the Registration Rights Agreement may be limited by applicable Federal or state securities laws.

Section 2.04. Authorized Capital Stock. The authorized capital stock of the Company consists of (i) 10,000,000 shares of Preferred Stock, no par value (the "Preferred Stock"), of which 750,000 shares have been designated Series A Preferred Stock, no par value, and (ii) 30,000,000 shares of Company Common Stock, no par value. Immediately prior to the Initial Closing, 3,513,524 shares of Company Common Stock, no shares of Series A Preferred Stock, and no shares of Preferred Stock will have been issued. The shareholders of record and holders of subscriptions, warrants, options, convertible securities, and other rights (contingent or other) to purchase or otherwise acquire equity securities of the Company, and the number of shares of Company Common Stock and the number of such subscriptions, warrants, options, convertible securities, and other such rights held by each, are as set forth in the attached Schedule 2.04(a)(i). There is no commitment by the Company to issue shares, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset. As of the date hereof, the Shareholders own shares of Company Common Stock and Preferred Stock having sufficient voting power to adopt and approve the Agreement of Merger under applicable law. The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized

capital stock of the Company are as set forth in the Charter Documents, and all such designations, powers, preferences, rights, qualifications, limitations and restrictions are valid, binding and enforceable and in accordance with all applicable laws. Except as set forth in the Charter Documents, the Company has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its equity securities or any interest therein or to pay any dividend or make any other distribution in respect thereof. To the knowledge of the Company after reasonable inquiry, except as set forth in the attached Schedule 2.04(a)(ii), there are no voting trusts or agreements, shareholders' agreements, pledge agreements, buy-sell agreements, rights of first refusal, preemptive rights or proxies relating to any securities of the Company (whether or not the Company is a party thereto). All of the outstanding securities of the Company were issued in compliance with all applicable Federal and state securities laws. Immediately after the Initial Closing and the consummation of the sale of the Purchaser Preferred Shares to Purchaser, the capitalization of the Company will be as set forth in Schedule 2.04(a)(iii).

Section 2.05. Subsidiaries; Joint Ventures.

(a) The Company is the owner, beneficially and of record, of all the issued and outstanding capital of the Subsidiaries free and clear of any mortgage, deed of trust, pledge, lien, option, right of first refusal, security interest or other similar charge, claim or encumbrance, including any restriction on use, transfer, voting, receipt of income or other attribute of ownership. The authorized, issued and outstanding capital stock of each Subsidiary is set forth in the attached Schedule 2.05(a)(i). No subscription, warrant, option, convertible security, or other right (contingent or other) to purchase or otherwise acquire equity securities of any Subsidiary is authorized or outstanding that has been issued by the Company or any Subsidiary. There is no commitment by any Subsidiary to issue shares, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset. The shares in the Subsidiaries are collectively referred to herein as the "Subsidiary Shares." To the knowledge of the Company after reasonable inquiry, except as set forth in the attached Schedule 2.05(a)(ii), there are no voting trusts, proxies or other contracts, agreements or understandings with respect to the voting of the capital stock of any Subsidiary.

(b) All of the Subsidiary Shares have been validly issued and are fully paid and nonassessable, and have been issued in compliance with the governing documents of each Subsidiary and all applicable securities laws.

(c) The Company is the owner, beneficially and of record, of the issued and outstanding capital of the Joint Ventures set forth in the attached Schedule 2.05(c)(i) free and clear of any mortgage, deed of trust, pledge, lien, option, right of first refusal, security interest or other similar charge, claim or encumbrance, including any restriction on use, transfer, voting, receipt of income or other attribute of ownership. The authorized, issued and outstanding capital stock of each Joint Venture is set forth in the attached Schedule 2.05(c)(ii). To the knowledge of the Company after reasonable inquiry, except as set forth in the attached Schedule 2.05(c)(iii), (i) no subscription, warrant, option, convertible security, or other right (contingent or other) to purchase or otherwise acquire equity securities of any Joint Venture is authorized or outstanding that has been issued by the Company or any Joint Venture and (ii) there is no commitment by

any Joint Venture to issue shares, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset. The shares in the Joint Ventures are collectively referred to herein as the "Joint Venture Shares." To the knowledge of the Company after reasonable inquiry, there are no voting trusts, proxies or other contracts, agreements or understandings with respect to the voting of the capital stock of any Joint Venture.

(d) To the knowledge of the Company after reasonable inquiry, all of the Joint Venture Shares have been validly issued and are fully paid and nonassessable, and have been issued in compliance with the governing documents of each Joint Venture and all applicable securities laws.

Section 2.06. Financial Statements. (a) The Company has furnished to Purchaser the audited consolidated balance sheets of the Company and the Subsidiaries as of September 30, 2001 (the "Balance Sheet") and as of September 30, 2000, and the related audited consolidated statements of income and cash flows of the Company and the Subsidiaries for the twelve months ended September 30, 2001 and September 30, 2000 (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present in all material respects the consolidated financial position of the Company and the Subsidiaries as of September 30, 2001 and September 30, 2000, respectively, and the consolidated results of operations and cash flows of the Company and the Subsidiaries for the twelve months ended September 30, 2001 and September 30, 2000, respectively. Since the date of the Balance Sheet, (i) there has been no change in the assets, liabilities or financial condition of the Company and the Subsidiaries (on a consolidated basis) from that reflected in the Balance Sheet except for changes in the ordinary course of business which in the aggregate have not been materially adverse and (ii) no event or condition that individually or in the aggregate has had or reasonably would be expected to have a Company Material Adverse Effect has occurred or is continuing.

(b) The Financial Statements reflect all liabilities of the Company and the Subsidiaries, whether absolute, accrued or contingent, as of the respective dates thereof, of the type required to be reflected or disclosed in a balance sheet (or the notes thereto) prepared in accordance with generally accepted accounting principles. To the knowledge of the Company after reasonable inquiry, there is no basis for the assertion against the Company or any Subsidiary of any material liability (other than current liabilities referred to above) not fully reflected or reserved against in the Financial Statements.

(c) The Financial Statements reflect reserves or other appropriate provisions at least equal to reasonably anticipated liabilities, losses, sales credits and allowances, and expenses of the Company and the Subsidiaries as of the respective dates thereof, including, without limitation, those with respect to income and other taxes (including alternative minimum tax), warranty claims, bad debts, unsalable inventories, salaries, and plans and programs (including medical and other benefits programs) for the benefit of present and former employees.

(d) Schedule 2.06(d) sets forth all amounts that have been paid by the Company as of the date hereof as capital contributions or otherwise to any Joint Venture and all such amounts that the Company has committed to pay to any Joint Venture as of the date hereof.

Section 2.07. Events Subsequent to the Date of the Balance Sheet. Except as set forth in the attached Schedule 2.07, since the date of the Balance Sheet, neither the Company nor any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture has (i) issued any stock, bond or other corporate security, (ii) borrowed any amount or incurred or become subject to any liability (absolute, accrued or contingent), except current liabilities incurred and liabilities under contracts entered into in the ordinary course of business, (iii) discharged or satisfied any lien or encumbrance or incurred or paid any obligation or liability (absolute, accrued or contingent) other than current liabilities shown on the Balance Sheet and current liabilities incurred since the date of the Balance Sheet in the ordinary course of business, (iv) declared or made any payment or distribution to shareholders or purchased or redeemed any share of its capital stock or other security, (v) mortgaged, pledged, encumbered or subjected to lien any of its assets, tangible or intangible, other than liens of current real property taxes not yet due and payable, (vi) sold, assigned or transferred any of its tangible assets except in the ordinary course of business, or canceled any debt or claim without payment therefor except in the ordinary course of business, (vii) sold, assigned, transferred or granted any exclusive license with respect to any patent, trademark, trade name, service mark, copyright, trade secret or other intangible asset, (viii) suffered any material loss of property or waived any right of substantial value whether or not in the ordinary course of business, (ix) made any change in officer compensation except in the ordinary course of business and consistent with past practice, (x) made any material change in the manner of business or operations of the Company or any Subsidiary or any Joint Venture, (xi) entered into any transaction except in the ordinary course of business or as otherwise contemplated hereby or (xii) entered into any commitment (contingent or otherwise) to do any of the foregoing.

Section 2.08. Litigation; Compliance with Law. There is no (i) action, suit, claim, proceeding or investigation pending or, to the knowledge of the Company after reasonable inquiry, threatened against or affecting the Company or any Subsidiary, at law or in equity, or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) arbitration proceeding relating to the Company or any Subsidiary pending under collective bargaining agreements or otherwise or (iii) governmental inquiry pending or, to the knowledge of the Company after reasonable inquiry, threatened against or affecting the Company or any Subsidiary (including without limitation any inquiry as to the qualification of the Company or any Subsidiary to hold or receive any license or permit) which individually or in the aggregate have a material adverse effect on the business of the Company or any Subsidiary. To the knowledge of the Company after reasonable inquiry, there is no (x) action, suit, claim, proceeding or investigation pending or threatened against or affecting any Joint Venture, at law or in equity, or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (y) arbitration proceeding relating to any Joint Venture pending under collective bargaining agreements or otherwise or (z) governmental inquiry pending or threatened against or affecting any Joint Venture (including without limitation any inquiry as to the qualification of any Joint Venture to hold or receive any license or permit) which individually or in the aggregate have a material adverse effect on the business of any Joint Venture. Neither the Company nor any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture is in default with respect to any order, writ, injunction or decree known to or served upon the Company or any Subsidiary or any Joint Venture of any court or of any Federal, state, municipal or other governmental department, commission, board,

bureau, agency or instrumentality, domestic or foreign which individually or in the aggregate have a material adverse effect on the Company, any Subsidiary or any Joint Venture. Except as set forth in the attached Schedule 2.08, there is no action or suit by the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture pending or threatened against others. The Company and each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture have complied in all material respects with all laws, rules, regulations and orders applicable to their business, operations, properties, assets, products and services, except as would not individually or in the aggregate have a material adverse effect on the Company or any Subsidiary. The Company and each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture have all permits, licenses and other authorizations required to conduct their business as conducted, except as would not individually or in the aggregate have a material adverse effect on the Company or any Subsidiary. The Company and each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture have been operating their business pursuant to and in compliance with the terms of all such permits, licenses and other authorizations except where any instance or instances of noncompliance do not, individually or in the aggregate, have a material adverse effect on the business of the Company, any Subsidiary or any Joint Venture. There is no existing law, rule, regulation or order, and to the knowledge of the Company after reasonable inquiry, there is no pending law, rule, regulation or order, whether Federal, state, county or local, not generally known in the industry of which the Company is a part which would prohibit or materially restrict the Company or any Subsidiary or any Joint Venture from, or otherwise have a material adverse effect on the ability of the Company or any Subsidiary or any Joint Venture to conduct its business in any jurisdiction in which it is now conducting business.

Section 2.09. Proprietary Information of Third Parties. To the knowledge of the Company after reasonable inquiry, except as set forth in the attached Schedule 2.09, no third party has claimed or has reason to claim that any person employed by or affiliated with the Company or any Subsidiary or Joint Venture has (a) breached or is breaching any of the terms or conditions of his or her employment, non-competition or non-disclosure agreement with such third party, (b) disclosed or is disclosing or utilized or is utilizing any trade secret or proprietary information or documentation of such third party or (c) interfered or is interfering in the employment relationship between such third party and any of its present or former employees. To the knowledge of the Company after reasonable inquiry, no third party has requested information from the Company or any Subsidiary or Joint Venture which suggests that such a claim might be contemplated. To the knowledge of the Company after reasonable inquiry, no person employed by the Company or any Subsidiary or Joint Venture has employed any trade secret or any information or documentation proprietary to any former employer without the consent of such former employer, and to the knowledge of the Company after reasonable inquiry, no person employed by the Company or any Subsidiary or Joint Venture has breached any confidential agreement which such person may have had with any third party, in connection with the development, manufacture or sale of any product or the development or sale of any service of the Company or any Subsidiary or Joint Venture, and the Company has no reason to believe there will be any such employment or violation. To the knowledge of the Company after reasonable inquiry, none of the execution or delivery of this Agreement or the Registration Rights Agreement, or the current business of the Company or any Subsidiary or Joint Venture,

will conflict with or result in a breach of the terms, conditions or provisions of or constitute a default under any contract, covenant or instrument under which any such person is obligated.

Section 2.10. Intellectual Property.

(a) Schedule 2.10(a) sets forth a true and complete list of Intellectual Property (as defined in Section 11.16) of the types listed in subclauses (a), (b), (c), (d) and (e) as set forth in the definition of Intellectual Property.

(b) Except as otherwise described in Schedule 2.10(b): (i) the Company owns or has the exclusive perpetual right to use and has the right to transfer or assign, without payment to any other party, all Intellectual Property; (ii) no other person has any rights in or to any of the Intellectual Property (including, without limitation, any rights to royalties or other payments with respect to, or rights to market or distribute any of, the Intellectual Property); (iii) the rights of the Company in and to any of the Intellectual Property will not be limited or otherwise affected by reason of any of the transactions contemplated hereby; and (iv) none of the Intellectual Property infringes or, to the Company's knowledge, is alleged to infringe any trademark, copyright, patent or other proprietary right of any person.

(c) Except as set forth in the attached Schedule 2.10(c), all employees of the Company and the Subsidiaries or other persons involved with the development of any Intellectual Property have entered into written agreements assigning to the Company all rights to any Intellectual Property related to the Company's and the Subsidiaries' business.

(d) To the knowledge of the Company after reasonable inquiry, none of the Intellectual Property of any Joint Venture infringes or is alleged to infringe any trademark, copyright, patent or other proprietary right of any person.

Section 2.11. Title to Properties. Except as set forth in the attached Schedule 2.11, each of the Company and the Subsidiaries has good, clear and marketable title to its properties and assets reflected on the Balance Sheet or acquired by the Company and the Subsidiaries since the date of the Balance Sheet (other than properties and assets disposed of in the ordinary course of business since the date of the Balance Sheet), and all such properties and assets are free and clear of mortgages, pledges, security interests, liens, charges, claims, restrictions and other encumbrances (including without limitation, easements and licenses), except for liens for current taxes not yet due and payable and minor imperfections of title, if any, not material in nature or amount and not materially detracting from the value or impairing the use of the property subject thereto or impairing the operations or proposed operations of the Company or any Subsidiary including, without limitation, the ability of the Company or any Subsidiary to secure financing using such properties and assets as collateral. To the knowledge of the Company after reasonable inquiry, each of the Joint Ventures has good, clear and marketable title to its properties and assets, and all such properties and assets are free and clear of mortgages, pledges, security interests, liens, charges, claims, restrictions and other encumbrances (including without limitation, easements and licenses), except for liens for or current taxes not yet due and payable and minor imperfections of title, if any, not material in nature or amount and not materially detracting from the value or impairing the use of the property subject thereto or impairing the operations or proposed operations of the any Joint Venture, including without limitation, the

ability of any Joint Venture to secure financing using such properties and assets as collateral. To the knowledge of the Company after reasonable inquiry, there are no condemnation, environmental, zoning or other land use regulation proceedings, either instituted or planned to be instituted, which would adversely affect the use or operation of the Company's and the Subsidiaries' and the Joint Ventures' properties and assets for their respective intended uses and purposes, or the value of such and the Joint Ventures' properties, and neither the Company nor any of its Subsidiaries nor, to the knowledge of the Company after reasonable inquiry, any of the Joint Ventures has received notice of any special assessment proceedings which would affect such properties and assets.

Section 2.12. Leasehold Interests. Each lease or agreement to which the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture is a party under which the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture is a lessee of any property, real or personal, is a valid and subsisting agreement (except to the extent that enforceability may be limited by laws of eminent domain and/or condemnation), duly authorized and entered into, without any default of the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture thereunder and, to the knowledge of the Company after reasonable inquiry, without any default thereunder of any other party thereto. No event has occurred and is continuing which, with due notice or lapse of time or both, would constitute a default or event of default by the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture under any such lease or agreement or, to the knowledge of the Company after reasonable inquiry, by any other party thereto. The Company's or any Subsidiary's or, to the knowledge of the Company after reasonable inquiry, any Joint Venture's possession of such property has not been disturbed and, to the knowledge of the Company after reasonable inquiry, no claim has been asserted against the Company or any Subsidiary or any Joint Venture adverse to its rights in such leasehold interests.

Section 2.13. Insurance. Except as set forth in attached Schedule 2.13, the Company and its Subsidiaries hold valid policies covering all of the insurance required to be maintained by them under Section 7.05.

Section 2.14. Taxes.

(a) The Company and each Subsidiary have timely filed with the appropriate federal, state, local, and foreign governmental entity or other authority (individually or collectively, "Taxing Authority") all Federal and state income Tax Returns and all other material Tax Returns (as defined in Section 2.14(b) hereof) required to be filed and have timely paid in full all Taxes (as defined in Section 2.14(b) hereof), if any, shown to be due on such Tax Returns, and all other Taxes for which a notice of assessment or demand for payment has been received. All Tax Returns are true, correct and complete; have been prepared in accordance with all applicable laws and requirements; and accurately reflect the taxable income (or other measure of tax) of the Company and each Subsidiary. There are no liens for Taxes upon the Company, any Subsidiary or their assets, except liens for current Taxes not yet due. Neither the Company nor any Subsidiary has granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any Taxes.

(b) As used in this Agreement: (i) "Tax" means any of the Taxes, where "Taxes" means all income taxes (including any tax on or based upon net income, or gross income, or income as specially defined, or earnings, or profits, or selected items of income, earnings, or profits) and all gross receipts, estimated, sales, use, ad valorem, transfer, franchise, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, or windfall profit taxes, environment, alternative, or add-on minimum taxes, custom duties or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any Taxing Authority on the Company or any Subsidiary, or Purchaser, as the case may be, and (ii) "Tax Return" means any return, report, information return or other document (including any related or supporting information) filed or required to be filed with any Taxing Authority or other authority in connection with the determination, assessment, or collection of any Tax paid or payable by the Company or any Subsidiary, or Purchaser, as the case may be, or the administration of any laws, regulations, or administrative requirements relating to any such Tax.

(c) There is no action, suit, proceeding, investigation, audit, claim, assessment or judgment now pending against the Company or any Subsidiary in respect of any Tax, and no notification of an intention to examine has been received from any Taxing Authority.

(d) Except as set forth on Schedule 2.14(d), the Company is not a party to any agreement, contract, arrangement or plan that could result, separately or in the aggregate, in the payment of any "excess parachute payments" within the meaning of Section 280G of the Code.

(e) Neither the Company, any Subsidiary, nor any predecessor thereto by way of merger, liquidation or similar transaction: (i) has been a member of an affiliated group of corporations (as defined in Section 1504(a) of the Code) or (ii) has filed or been required to file or been included in a combined, consolidated, or unitary federal, state, local or foreign income tax return. There is no agreement or arrangement with any person or entity pursuant to which the Company or any Subsidiary could have an obligation with respect to Taxes of another person or entity following the Initial Closing.

(f) The accruals for Taxes contained in the Balance Sheet are adequate to cover all liabilities for material Taxes of the Company and the Subsidiaries for all periods ending on or before the date of the Balance Sheet (including adequate provision for all material deferred Taxes) and nothing has occurred subsequent to the date of the Balance Sheet to make any of such accruals inadequate. All material Taxes of the Company and the Subsidiaries for periods subsequent to the date of the Balance Sheet have been paid or adequately reflected on the books and records of the Company and the Subsidiaries. The Company and the Subsidiaries have on a timely basis filed all information returns or reports, including Forms 1099, that are required to be filed and have accurately reported all information required to be included on such returns or reports.

(g) True copies of federal, state and foreign income Tax Returns of the Company and each of the Subsidiaries for each of the fiscal years ending September 30, 1998 through September 30, 2000 have been delivered or made available to Purchaser. Except as disclosed on Schedule 2.14(g), each Tax Return of the Company and each Subsidiary has been audited by the relevant Taxing Authority (and all deficiencies or proposed deficiencies resulting

from such audits have been paid or are adequately provided for in the Balance Sheet), or the statute of limitations with respect to each Tax Return has expired. No claim has been made by a Taxing Authority in a jurisdiction where the Company or any Subsidiary does not file Tax Returns that the Company or any Subsidiary is or may be subject to taxation by that jurisdiction.

(h) Neither the Company nor any Subsidiary has ever (i) filed any consent agreement under Section 341(f) of the Code, (ii) been the subject of a Tax ruling that has continuing effect, (iii) been the subject of a closing agreement with any Taxing Authority that has continuing effect, (iv) filed or been the subject of an election under Section 338(g) or Section 338(h)(10) of the Code or caused or been the subject of a deemed election under Section 338(e) thereof or (v) granted a power of attorney with respect to any Tax matters that has continuing effect. Neither the Company nor any Subsidiary has agreed to make, nor is the Company or any Subsidiary required to make, any adjustment under Section 481 of the Code.

(i) Except as disclosed on Schedule 2.14(i), neither the Company nor any Subsidiary owns any interest in an entity characterized as a partnership for federal income tax purposes.

(j) Neither the Company nor any of the Subsidiaries is a "United States Real Property Holding Corporation" as that term is defined in Section 897(c)(2) of the Code.

(k) The representations and warranties in Sections 2.14(a) through (j) are repeated except that (i) the word "Subsidiary" is replaced by the phrase "Joint Venture" wherever it appears therein and (ii) the representations and warranties concerning Joint Ventures are qualified to the knowledge of the Company after reasonable inquiry.

Section 2.15. Other Agreements. Neither the Company nor any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture is a party to or otherwise bound by any written or oral:

(a) distributor, dealer, manufacturer's representative or sales agency agreement which is not terminable on less than ninety (90) days' notice without cost or other liability to the Company or any Subsidiary or any Joint Venture (except for agreements which, in the aggregate, are not material to the business of the Company), except as set forth in the attached Schedule 2.15(a);

(b) sales agreement which entitles any customer to a rebate or right of set-off, to return any product to the Company or any Subsidiary or any Joint Venture after acceptance thereof or to delay the acceptance thereof, or which varies in any material respect from the Company's or any Subsidiary's or any Joint Venture's standard form agreements;

(c) agreement with any labor union (and, to the knowledge of the Company, no organizational effort is being made with respect to any of its employees or the employees of any Subsidiary or any Joint Venture);

(d) agreement with any supplier containing any provision permitting any party other than the Company or any Subsidiary or any Joint Venture to renegotiate the price or other terms, or containing any pay-back or other similar provision, upon the occurrence of a failure by

the Company or any Subsidiary or any Joint Venture to meet its obligations under the agreement when due or the occurrence of any other event;

(e) agreement for the future purchase of fixed assets or for the future purchase of materials, supplies or equipment in excess of its normal operating requirements;

(f) agreement for the employment of any officer, employee or other person on a full-time or consulting basis which is not terminable by the Company or any Subsidiary or any Joint Venture at will without liability to the Company or any Subsidiary or any Joint Venture , except pursuant to severance and accrued vacation pay policies applicable to all employees of the Company or any Subsidiary or any Joint Venture, except as set forth in the attached Schedule 2.15(f);

(g) bonus, pension, profit-sharing, retirement, hospitalization, insurance, stock purchase, stock option or other plan, agreement or understanding pursuant to which benefits are provided to any employee of the Company or any Subsidiary or any Joint Venture (other than group insurance plans applicable to employees generally), except as set forth in the attached Schedule 2.15(g);

(h) agreement relating to the borrowing of money or to the mortgaging or pledging of, or otherwise placing a lien or security interest on, any asset of the Company or any Subsidiary or any Joint Venture, except as set forth in the attached Schedule 2.15(h);

(i) guaranty of any obligation for borrowed money or otherwise;

(j) agreement, or group of related agreements with the same party or any group of affiliated parties, under which the Company or any Subsidiary or any Joint Venture has advanced or agreed to advance money or has agreed to lease any property as lessee or lessor, except as set forth in the attached Schedule 2.15(j);

(k) assignment, license or other agreement with respect to any form of Intellectual Property, except as set forth in the attached Schedule 2.15(k);

(l) agreement under which it has granted any person any registration rights, except as set forth in the attached Schedule 2.15(l);

(m) agreement under which it has limited or restricted its right to compete with any person in any respect, except as set forth in the attached Schedule 2.15(m); and

(n) except as set forth in the attached Schedule 2.15(n), other agreement or group of related agreements with the same party involving more than $100,000 or continuing over a period of more than six months from the date or dates thereof (including renewals or extensions optional with another party), which agreement or group of agreements is not terminable by the Company or any Subsidiary or any Joint Venture without penalty upon notice of sixty (60) days or less, but excluding any agreement or group of agreements with a customer of the Company or any Subsidiary or any Joint Venture for the sale, license, lease or rental of the Company's or any Subsidiary's or any Joint Venture's products or services if such agreement or group of agreements was entered into by the Company or any Subsidiary or any Joint Venture in

the ordinary course of business, or other agreement, instrument, or commitment the termination of which would have a Company Material Adverse Effect.

The Company, each Subsidiary and to the knowledge of the Company after reasonable inquiry, each Joint Venture, and each other party thereto have in all material respects performed all the obligations required to be performed by them to date (or each non-performing party has received a valid, enforceable and irrevocable written waiver with respect to its non-performance), have received no notice of default and are not in default (with due notice or lapse of time or both) in any material respect under the agreements, instruments, commitments, plans or arrangements referred to in this Section 2.15 (the "Material Contracts"). The Company has not received any notice or other communication claiming any breach by the Company with respect to its obligations under any Material Contract, and the Company has no knowledge of any breach or anticipated breach by the other party to any Material Contract.

Section 2.16. Significant Customers and Suppliers. Except as set forth in the attached Schedule 2.16, there has not been, during the period covered by the Financial Statements or thereafter, any termination, material reduction or threat to terminate or materially reduce purchases from or provision of products or services to the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture, as the case may be, by any customer or supplier or group of two or more thereof (whether or not affiliated) which would have a Company Material Adverse Effect.

Section 2.17. Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is necessary for the valid execution, delivery and performance by the Company of this Agreement or the Registration Rights Agreement, the issuance, sale and delivery of the Purchaser Preferred Shares or, upon conversion thereof, the issuance and delivery of the Conversion Shares, other than (i) filings pursuant to state securities laws (all of which filings have been made by the Company, other than those which are required to be made after the Initial Closing and which will be duly made on a timely basis) in connection with the sale of the Purchaser Preferred Shares and (ii) with respect to the Registration Rights Agreement, the registration of the shares covered thereby with the Commission and filings pursuant to state securities laws.

Section 2.18. Offering of the Preferred Shares. Neither the Company, any Subsidiary nor any person authorized or employed by the Company or any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture, as agent, broker, dealer or otherwise in connection with the offering or sale of the Purchaser Preferred Shares or any security of the Company similar to the Purchaser Preferred Shares has offered the Purchaser Preferred Shares or any such similar security for sale to, or solicited any offer to buy the Purchaser Preferred Shares or any such similar security from, or otherwise approached or negotiated with respect thereto with, any person or persons, and neither the Company, any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture, nor any person acting on any of their behalves has taken any other action (including, without limitation, any offer, issuance or sale of any security of the Company under circumstances which might require the integration of such security with Purchaser Preferred Shares under the Securities Act or the rules and regulations of

the Commission thereunder), in either case so as to subject the offering, issuance or sale of the Purchaser Preferred Shares to the registration requirements of the Securities Act.

Section 2.19. Brokers. Except as set forth in Schedule 2.19, neither the Company nor any Subsidiary, nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture, has any contract, arrangement or understanding with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement.

Section 2.20. Officers. Set forth in Schedule 2.20 is a list of the names of the officers of the Company, each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture, together with the title or job classification of each such person and the total compensation paid to each such person by the Company or any Subsidiary or any Joint Venture in fiscal year 2001 and anticipated to be paid to each such person by the Company or any Subsidiary or any Joint Venture in fiscal year 2002.

Section 2.21. Transactions With Affiliates. Except as set forth in Schedule 2.21, since October 1, 2000, no director, officer, employee or greater than five percent (5%) shareholder of the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture, or member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or any member of the family of any such person, has a substantial interest or is an officer, director, trustee, partner or holder of more than 5% of the outstanding capital stock thereof, is a party to any transaction with the Company or any Subsidiary or any Joint Venture, including any contract, agreement or other arrangement providing for the employment of, furnishing of services by, rental of real or personal property from or otherwise requiring payments to any such person or firm, other than employment-at-will arrangements in the ordinary course of business.

Section 2.22. Employees. Except as set forth in Schedule 2.22, each of the officers of the Company, the Subsidiaries and, to the knowledge of the Company after reasonable inquiry, the Joint Ventures, each key employee and each other employee now employed by the Company or any Subsidiary or any Joint Venture who has access to confidential information of the Company or any Subsidiary or any Joint Venture has executed an Employee Employment Non-Disclosure and Assignment of Inventions Agreement substantially in the form provided to Purchaser, and such agreements are in full force and effect. No officer or key employee of the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture has advised the Company (orally or in writing) that he or she intends to terminate employment with the Company, any Subsidiary or any Joint Venture, as the case may be. The Company, each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture have complied in all material respects with all applicable laws relating to the employment of labor, including provisions relating to wages, hours, equal opportunity, collective bargaining and the payment of Social Security and other taxes, and with the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Section 2.23. Environmental Protection. Neither the Company, any Subsidiary nor any Joint Venture, to the knowledge of the Company after reasonable inquiry, has caused or allowed, or contracted with any party for, the generation, use, transportation, treatment, storage or disposal of any Hazardous Substances (as defined below) in connection with the operation of its

business or otherwise except in compliance with applicable Environmental Laws (as defined below) noncompliance with which reasonably would be expected to have a material adverse effect on the assets or operations of the Company's business. The Company, the Subsidiaries, to the knowledge of the Company after reasonable inquiry, the Joint Ventures, the operation of the business of the Company, the Subsidiaries, and to the knowledge of the Company after reasonable inquiry, the Joint Ventures, any real property that the Company, any Subsidiary or any Joint Venture owns, leases or otherwise occupies or uses (the "Premises") are in material compliance with all applicable Environmental Laws and orders or directives of any governmental authorities having jurisdiction under such Environmental Laws, including, without limitation, any Environmental Laws or orders or directives with respect to any cleanup or remediation of any release or threat of release of Hazardous Substances. Neither the Company, any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture has received any citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit, from any person alleging that the Company, any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture is not in compliance with such or has material liability under the Environmental Laws in connection with the ownership or occupation of the Premises, or the operation of its business. The Company, each Subsidiary and, to the knowledge of the Company after reasonable inquiry, each Joint Venture has obtained and is maintaining in full force and effect all material necessary permits, licenses and approvals required by all Environmental Laws applicable to the Premises and the Company's, each Subsidiary's and, to the knowledge of the Company after reasonable inquiry, each Joint Venture's business operations conducted thereon, and is in substantial compliance with all such permits, licenses and approvals. Neither the Company, any Subsidiary nor, to the knowledge of the Company after reasonable inquiry, any Joint Venture has caused or allowed or been subject to a release, or a threat of release, of any Hazardous Substance into or at the Premises except in compliance with applicable Environmental Laws noncompliance with which reasonably would be expected to have a material adverse effect on the assets or operations of the Company's business. For the purposes of this Agreement, the term "Environmental Laws" shall mean any Federal, state or local law or ordinance or regulation pertaining to the protection of human health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq., the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Sections 11001, et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq. For purposes of this Agreement, the term "Hazardous Substances" shall include oil and petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde and any other materials classified as hazardous or toxic under any Environmental Laws.

Section 2.24. ERISA.

(a) Schedule 2.24(a) lists each employee plan that covers any employee of the Company, each Subsidiary and each Joint Venture (each, an "Employee Plan" and collectively, the "Employee Plans"), copies or descriptions of all of which have previously been made available or furnished to Purchaser. With respect to each Employee Plan, the Company has provided the most recently filed Form 5500 and an accurate summary description of such plan.

(b) Schedule 2.24(b) includes a list of each benefit arrangement of the Company, each Subsidiary and each Joint Venture (each, a "Benefit Arrangement" and

collectively, the "Benefit Arrangements"), copies or descriptions of all of which have been made available or furnished previously to Purchaser.

(c) No Employee Plan is a Multiemployer Plan and no Employee Plan is subject to Title IV of ERISA. The Company, the Subsidiaries, the Joint Ventures and their affiliates have not incurred any liability under Title IV of ERISA arising in connection with the termination of any plan covered or previously covered by Title IV of ERISA.

(d) Except as set forth on Schedule 2.24(d), none of the Employee Plans or other arrangements listed on Schedule 2.24(a) covers any non-United States employee or former employee of the Company.

(e) No "prohibited transaction," as defined in Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Employee Plan.

(f) Each Employee Plan which is intended to be qualified under Section 401(a) of the Code is so qualified and has been so qualified during the period from its adoption to date, and each trust forming a part thereof is exempt from tax pursuant to Section 501(a) of the Code. The Company has furnished to Purchaser copies of the most recent Internal Revenue Service determination letters with respect to each such plan. Each Employee Plan has been maintained, in all material respects, in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such plan.

(g) Each Employee Plan and each Benefit Arrangement has been maintained in substantial compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations which are applicable to such Employee Plan and Benefit Arrangement.

(h) All contributions and payments accrued under each Employee Plan and Benefit Arrangement, determined in accordance with prior funding and accrual practices, as adjusted to include proportional accruals for the period ending on the Initial Closing Date, will be discharged and paid on or prior to the Initial Closing Date except to the extent reflected on the Balance Sheet. Except as disclosed in writing to Purchaser prior to the date hereof, there has been no amendment to, written interpretation of or announcement (whether or not written) by the Company or any of its ERISA Affiliates relating to, or change in employee participation or coverage under, any Employee Plan or Benefit Arrangement that would increase materially the expense of maintaining such Employee Plan or Benefit Arrangement above the level of the expense incurred in respect thereof for the fiscal year ended prior to the date hereof.

(i) Except as set forth on Schedule 2.24(i), there is no contract, agreement, plan or arrangement covering any employee or former employee of the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture that, individually or collectively, could give rise to the payment of any amount that would not be deductible pursuant to the terms of Section 280G of the Code.

(j) No tax under Section 4980B of the Code has been incurred in respect of any Employee Plan that is a group health plan, as defined in Section 5000(b)(1) of the Code.

(k) With respect to the employees and former employees of the Company or any Subsidiary, there are no employee post-retirement medical or health plans in effect, except as required by Section 4980B of the Code.

(l) Except as set forth in the attached Schedule 2.24(l), no employee of the Company or any Subsidiary or, to the knowledge of the Company after reasonable inquiry, any Joint Venture will become entitled to any bonus, retirement, severance or similar benefit or enhanced benefit solely as a result of the transactions contemplated hereby.

(m) Neither the Company nor any of the Subsidiaries or, to the knowledge of the Company after reasonable inquiry, any Joint Venture has, nor is it reasonably expected to have, any liability under Title IV of ERISA.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

Each of the Shareholders severally represents and warrants with respect to itself to Purchaser as follows:

Section 3.01. Authority. Such Shareholder, and if such Shareholder is a trust, the trustee on behalf of such Shareholder that is a trust, has the power to execute, deliver and perform this Agreement (including the indemnification obligations contained herein) without the consent of any other person. This Agreement has been duly executed and delivered by such Shareholder, and if such Shareholder is a trust, by the trustee on behalf of such Shareholder that is a trust, and when duly executed and delivered by the other parties hereto, will constitute a legal, valid and binding obligation of such Shareholder, enforceable against such Shareholder in accordance with its terms.

Section 3.02. Title and Other Matters.

(a) Such Shareholder has good and valid title to the number of shares of Company Common Stock set forth beside such Shareholder's name on Schedule 2.04(a)(i), free and clear of all liens, charges, restrictions, claims and encumbrances. Except for the shares of stock of the Company set forth on Schedule 2.04(a)(i), such Shareholder does not own any capital stock of the Company or any subscriptions, warrants, options or rights to purchase any such capital stock or any securities convertible into or exchangeable for such capital stock.

(b) Such Shareholder is not aware of any claim such Shareholder has, or if such Shareholder is a trust, any claim that a beneficiary of such trust has, against the Company (in such Shareholder's capacity as a shareholder of the Company or such beneficiary's capacity as a beneficiary of such Shareholder that is a trust), except for such Shareholder's claims as a holder of Company Common Stock.

Section 3.03. Investment Experience. Such Shareholder has sufficient knowledge and experience in financial and business matters that such Shareholder is capable of evaluating the merits and risks of its investment in Purchaser and has the capacity to protect its own interests.

Such Shareholder is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Section 3.04. Investment. Such Shareholder will be acquiring the Purchaser Shares for investment for such Shareholder's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. Such Shareholder understands that the Purchaser Shares have not been, and will not be when issued, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the representations of such Shareholder as expressed herein.

Section 3.05. Rule 144. Such Shareholder acknowledges that the Purchaser Shares must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from such registration is available. Such Shareholder is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the existence of a public market for the shares, the availability of certain current public information about Purchaser, the resale occurring not less than two years after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in transactions directly with a "market marker" and the number of shares being sold during any three-month period not exceeding specified limitations.

Section 3.06. Access to Information. Such Shareholder has had, or such Shareholder's agents have had, an opportunity to discuss Purchaser's management, business plan and financial condition with Purchaser's management. Such Shareholder understands that a purchase of the Purchaser Shares involves a high degree of risk, and there can be no assurance Purchaser's business objectives will be obtained.

Section 3.07. Right to Vote. Such Shareholder, and if such Shareholder is a trust, the trustee on behalf of such Shareholder that is a trust, has full legal power, authority and right to vote all shares of Company Common Stock set forth beside such Shareholder's name on Schedule 3.07 in favor of approval and adoption of the Agreement of Merger and the transactions contemplated by the Agreement of Merger without the consent or approval of, or any other action on the part of, any other person or entity. Without limiting the generality of the foregoing, except as contemplated by this Agreement, such Shareholder, or if such Shareholder is a trust, the trustee on behalf of such Shareholder that is a trust, has not entered into any voting agreement with any person or entity with respect to any of the shares of Company Common Stock set forth beside such Shareholder's name on Schedule 3.07, granted any person or entity any proxy (revocable or irrevocable) or power of attorney with respect to any of the shares of Company Common Stock set forth beside such Shareholder's name on Schedule 3.07, deposited any of the shares of Company Common Stock set forth beside such Shareholder's name on Schedule 3.07 in a voting trust or entered into any arrangement or agreement with any person or entity limiting or affecting such Shareholder's legal power, authority or right to vote the shares of Company Common Stock set forth beside such Shareholder's name on Schedule 3.07 in favor of the approval and adoption of the Agreement of Merger or any of the transactions contemplated by the Agreement of Merger.

Section 3.08. Legends. Such Shareholder understands that each certificate representing the Purchaser Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO PURCHASER THAT SUCH REGISTRATION IS NOT REQUIRED."

Section 3.09. Residence. The principal residence of such Shareholder in which its investment decision was made is located at the address set forth on the signature page to this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Company as follows:

Section 4.01. Organization, Qualifications and Corporate Power.

(a) Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification. Purchaser has the corporate power and corporate authority to own and hold its properties and to carry on its business as now conducted, to execute, deliver and perform this Agreement and the Registration Rights Agreement.

(b) Except for the entities listed on Schedule 4.01(b) attached hereto, Purchaser does not (i) own of record or beneficially, directly or indirectly, (A) any shares of capital stock or securities convertible into capital stock of any other corporation or (B) any participating interest in any partnership, joint venture or other non-corporate business enterprise or (ii) control, directly or indirectly, any other entity. Each entity listed on Schedule 4.01(b) (collectively, the "Purchaser Subsidiaries") is a company duly formed, validly existing and in good standing under the laws of the jurisdiction under which it has been formed and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification. Each Purchaser Subsidiary has the power and authority to own and hold its properties and to carry on its business as now conducted.

Section 4.02. Authorization of Agreements, Etc.

(a) The execution and delivery by Purchaser of this Agreement and the Registration Rights Agreement and the performance by Purchaser of its obligations hereunder

and thereunder have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency of government, the Certificate of Incorporation or the Bylaws of Purchaser, as amended (collectively, the "Purchaser Charter Documents"), the certificate or articles of incorporation or Bylaws of any Purchaser Subsidiary, as amended, or any provision of any indenture, agreement or other instrument to which Purchaser, any Purchaser Subsidiary, or any of the properties or assets of Purchaser or any Purchaser Subsidiary is bound, or 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, restriction, claim or encumbrance of any nature whatsoever upon any of the properties or assets of Purchaser or any Purchaser Subsidiary.

(b) Purchaser and each Purchaser Subsidiary are in full compliance with all of the terms and provisions of their respective governing documents.

Section 4.03. Validity. This Agreement has been duly executed and delivered by Purchaser and constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, subject to (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium or other similar federal or state laws affecting the rights of creditors and (ii) the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity).

Section 4.04. Authorized Capital Stock. (a) The authorized capital stock of Purchaser consists of:

(i) 1,552,450 shares of Series A Convertible Preferred Stock, par value $0.01 per share (the "Purchaser Preferred Stock"), of which 1,552,450 shares are issued and outstanding.

(ii) 92,182,450 shares of common stock, consisting of (A) 60,000,000 shares of Class A Voting Common Stock, par value $0.01 per share (the "Purchaser Class A Common Stock"), of which 19,960,500 shares are issued and outstanding, (B) 30,000,000 shares of Class B Non-Voting Common Stock, par value $0.01 per share (the "Purchaser Class B Common Stock"), of which 2,985,474 shares are issued and outstanding, (C) 150,000 shares of Senior Class C Common Stock, par value $0.01 per share (the "Purchaser Class C Common Stock"), of which 141,000 shares are issued and outstanding and (D) 480,000 shares of Class D Common Stock, par value $0.01 per share (the "Purchaser Class D Common Stock"), of which 480,000 shares are issued and outstanding (the Purchaser Class A Common Stock, Purchaser Class B Common Stock, Purchaser Class C Common Stock and the Purchaser Class D Common Stock are collectively referred to herein as the "Purchaser Common Stock").

The designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of each class and series of authorized capital stock of Purchaser are as set forth in the Purchaser Charter Documents, and all such designations, powers, preferences, rights, qualifications, limitations and restrictions are valid, binding and enforceable and in accordance with all applicable laws. Except as set forth in the attached Schedule 4.04(a)(i), (i) no

subscription, warrant, option, convertible security, or other right (contingent or other) to purchase or otherwise acquire equity securities of Purchaser is authorized or outstanding that has been issued by Purchaser, and (ii) there is no commitment by Purchaser to issue shares, subscriptions, warrants, options, convertible securities, or other such rights or to distribute to holders of any of its equity securities any evidence of indebtedness or asset. Except as set forth in the Purchaser Financial Statements (as defined below) or the Purchaser Charter Documents, each of which has been delivered to the Company, Purchaser has no obligation to purchase, redeem or otherwise acquire any of its equity securities or any other interest therein or to pay any dividend or make any other distribution in respect thereof. To the knowledge of Purchaser after reasonable inquiry, except as set forth in the attached Schedule 4.04(a)(ii), there are no voting trusts or agreements, shareholders' agreements, pledge agreements, buy-sell agreements, rights of first refusal, preemptive rights or proxies relating to any securities of Purchaser (whether or not Purchaser is a party thereto). All of the outstanding securities of Purchaser were issued in compliance with all Federal and state securities laws.

Section 4.05. Financial Statements.

(a) Purchaser has furnished to the Company the audited consolidated balance sheet of Purchaser as of December 31, 2000, and the related audited consolidated statements of income and cash flows for the twelve months ended December 31, 2000 and its unaudited balance sheet as of September 30, 2001 (the "Purchaser Balance Sheet") and the related unaudited consolidated statements of income and cash flow for the nine months ended September 30, 2001 (collectively, the "Purchaser Financial Statements"). The Purchaser Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied and fairly present in all material respects the consolidated financial position of Purchaser as of September 30, 2001 and December 31, 2000, respectively, and the consolidated results of operations and cash flows of Purchaser for the nine months ended September 30, 2001 and the twelve months ended December 31, 2000, respectively.

(b) The Purchaser Financial Statements reflect all liabilities of Purchaser, whether absolute, accrued or contingent, as of the respective dates thereof, of the type required to be reflected or disclosed in a balance sheet (or the notes thereto) prepared in accordance with generally accepted accounting principles. To the knowledge of Purchaser after reasonable inquiry, as of the date of the Purchaser Financial Statements, there is no basis for the assertion against Purchaser or any Purchaser Subsidiary of any material liability (other than current liabilities referred to above) not fully reflected or reserved against in the Purchaser Financial Statements.

(c) The Purchaser Financial Statements reflect in accordance with generally accepted accounting principles reserves or other appropriate provisions at least equal to reasonably anticipated liabilities, losses, sales credits and allowances, and expenses of Purchaser as of the respective dates thereof, including, without limitation, those with respect to income and other taxes (including alternative minimum tax), warranty claims, bad debts, unsalable inventories, salaries, and plans and programs (including medical and other benefits programs) for the benefit of present and former employees.

Section 4.06. Litigation; Compliance with Law. There is no (i) action, suit, claim, proceeding or investigation pending or, to the knowledge of Purchaser after reasonable inquiry, threatened against or affecting Purchaser or any Purchaser Subsidiary, at law or in equity, or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) arbitration proceeding relating to Purchaser or any Purchaser Subsidiary pending under collective bargaining agreements or otherwise or (iii) governmental inquiry pending or, to the knowledge of Purchaser after reasonable inquiry, threatened against or affecting Purchaser or any Purchaser Subsidiary (including without limitation any inquiry as to the qualification of Purchaser or any Purchaser Subsidiary to hold or receive any license or permit) which individually or in the aggregate have a material adverse effect on the business of Purchaser. Neither Purchaser nor any Purchaser Subsidiary is in default with respect to any order, writ, injunction or decree known to or served upon Purchaser or any Purchaser Subsidiary of any court or of any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign which individually or in the aggregate have a material adverse effect on Purchaser, and Purchaser and each Purchaser Subsidiary has complied with all laws, rules, regulations and orders applicable to its business, operations, properties, assets, products and services except as would not individually or in the aggregate have a material adverse effect on Purchaser. Purchaser and each Purchaser Subsidiary have all permits, licenses and other authorizations required to conduct their business as conducted except as would not individually or in the aggregate have a material adverse effect on Purchaser. There is no action or suit by Purchaser or any Purchaser Subsidiary pending or threatened against others. Purchaser and each Purchaser Subsidiary have complied in all material respects with all laws, rules, regulations and orders applicable to their business, operations, properties, assets, products and services, except as would not individually or in the aggregate have a material adverse effect on Purchaser or any Purchaser Subsidiary. Purchaser and each Purchaser Subsidiary have been operating their business pursuant to and in compliance with the terms of all such permits, licenses and other authorizations except where any instance or instances of noncompliance do not, individually or in the aggregate, have a material adverse effect on Purchaser. There is no existing law, rule, regulation or order, and to the knowledge of Purchaser after reasonable inquiry, there is no pending law, rule, regulation or order, whether Federal, state, county or local, not generally known in the industry of which Purchaser is a part which would prohibit or materially restrict Purchaser or any Purchaser Subsidiary from, or otherwise have a material adverse effect on the ability of Purchaser or any Purchaser Subsidiary to conduct its business in any jurisdiction in which it is now conducting business.

Section 4.07. Brokers. Purchaser has not entered into any contract, arrangement or understanding with any broker, finder or similar agent with respect to the transactions contemplated by this Agreement.

Section 4.08. Environmental Protection. Neither Purchaser nor any Purchaser Subsidiary, to its knowledge, has caused or allowed, or contracted with any party for, the generation, use, transportation, treatment, storage or disposal of any Hazardous Substances in connection with the operation of its business or otherwise except in compliance with applicable Environmental Laws noncompliance with which reasonably would be expected to have a material adverse effect on Purchaser's assets or operations of its business. Purchaser, the Purchaser Subsidiaries, the operation of the business of Purchaser and the Purchaser

Subsidiaries, and to the Purchaser's knowledge, any real property that Purchaser or any Purchaser Subsidiary owns, leases or otherwise occupies or uses (the "Purchaser Premises") are in material compliance with all applicable Environmental Laws and orders or directives of any governmental authorities having jurisdiction under such Environmental Laws, including, without limitation, any Environmental Laws or orders or directives with respect to any cleanup or remediation of any release or threat of release of Hazardous Substances. Neither Purchaser nor any Purchaser Subsidiary has received any citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit, from any person alleging that Purchaser or any Purchaser Subsidiary is not in compliance with such or has material liability under the Environmental Laws in connection with the ownership or occupation of the Purchaser Premises, or the operation of its business. Purchaser and each Purchaser Subsidiary has obtained and is maintaining in full force and effect all material necessary permits, licenses and approvals required by all Environmental Laws applicable to the Purchaser Premises and the Purchaser's and each Purchaser Subsidiary's business operations conducted thereon, and is in substantial compliance with all such permits, licenses and approvals. Neither Purchaser nor any Purchaser Subsidiary has caused or allowed a release, or a threat of release, of any Hazardous Substance into or at the Purchaser Premises except in compliance with applicable Environmental Laws noncompliance with which reasonably would be expected to have a material adverse effect on Purchaser's assets or operations of its business.

Section 4.09. ERISA. Purchaser and Purchaser Subsidiaries are in compliance with ERISA in all material respects.

Section 4.10. Title to Properties. Purchaser has good, clear and marketable title to its properties and assets reflected on the Purchaser Balance Sheet or acquired by Purchaser since the date of the Purchaser Balance Sheet (other than properties and assets disposed of in the ordinary course of business since the date of the Purchaser Balance Sheet), subject to mortgages, pledges, security interests, liens, charges, claims, restrictions and other encumbrances (including without limitation, easements and licenses) which, if material, are disclosed in the Purchaser Financial Statements, except for liens for current taxes not yet due and payable and minor imperfections of title, if any, not material in nature or amount and not materially detracting from the value or impairing the use of the property subject thereto or impairing the operations or proposed operations of Purchaser including, without limitation, the ability of Purchaser to secure financing using such properties and assets as collateral. To the knowledge of Purchaser after reasonable inquiry, there are no condemnation, environmental, zoning or other land use regulation proceedings, either instituted or planned to be instituted, which would adversely affect the use or operation of Purchaser's properties and assets for its intended uses and purposes, or the value of such and Purchaser has not received notice of any special assessment proceedings which would affect such properties and assets.

Section 4.11. Proprietary Information of Third Parties. To the knowledge of Purchaser after reasonable inquiry, no third party has claimed or has reason to claim that any person employed by or affiliated with Purchaser has (a) breached or is breaching any of the terms or conditions of his or her employment, non-competition or non-disclosure agreement with such third party, (b) disclosed or is disclosing or utilized or is utilizing any trade secret or proprietary information or documentation of such third party or (c) interfered or is interfering in the employment relationship between such third party and any of its present or former employees.

To the knowledge of Purchaser after reasonable inquiry, no third party has requested information from Purchaser which suggests that such a claim might be contemplated. To the knowledge of Purchaser after reasonable inquiry, no person employed by Purchaser has employed any trade secret or any information or documentation proprietary to any former employer without the consent of such former employer, and to the knowledge of Purchaser after reasonable inquiry, no person employed by Purchaser has breached any confidential agreement which such person may have had with any third party, in connection with the development, manufacture or sale of any product or the development or sale of any service of Purchaser, and Purchaser has no reason to believe there will be any such employment or violation. To the knowledge of Purchaser after reasonable inquiry, none of the execution or delivery of this Agreement or the current business of Purchaser, will conflict with or result in a breach of the terms, conditions or provisions of or constitute a default under any contract, covenant or instrument under which any such person is obligated.

Section 4.12. Intellectual Property. (a) The rights of Purchaser in and to any of the Intellectual Property of Purchaser will not be limited or otherwise affected by reason of any of the transactions contemplated hereby. None of the Intellectual Property infringes or, to Purchaser's knowledge, is alleged to infringe any trademark, copyright, patent or other proprietary right of any person.

(b) All employees of Purchaser or other persons involved with the development of any Intellectual Property have entered into written agreements assigning to Purchaser all rights to any Intellectual Property related to Purchaser's business.

Section 4.13. Taxes. (a) Purchaser has timely filed with the appropriate Taxing Authority all Federal and state income Tax Returns and all other material Tax Returns required to be filed and has timely paid in full all Taxes, if any, shown to be due on such Tax Returns, and all other Taxes for which a notice of assessment or demand for payment has been received. All Tax Returns are, in all material respects, true, correct and complete, have been prepared in accordance with all applicable laws and requirements, and accurately reflect the taxable income (or other measure of tax) of Purchaser. There are no liens for Taxes upon Purchaser or its assets, except liens for current Taxes not yet due.

(b) Except as set forth on Schedule 4.13(b), there is no action, suit, proceeding, investigation, audit, claim, assessment or judgment now pending against Purchaser in respect of any Tax, and no notification of an intention to examine has been received from any Taxing Authority.

Section 4.14. Investment Experience. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company such that Purchaser is capable of evaluating the merits and risks of its investment in the Company and has the capacity to protect its own interests. Purchaser is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act.

Section 4.15. Investment. Purchaser is acquiring the Purchaser Preferred Shares for investment for Purchaser's own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. Purchaser understands that the Purchaser

Preferred Shares have not been, and will not be when issued, registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the representations of Purchaser as express herein.

Section 4.16. Rule 144. Purchaser acknowledges that the Purchaser Preferred Shares must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from such registration is available. Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, which may include, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale occurring not less than two years after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in transactions directly with a "market marker" and the number of shares being sold during any three-month period not exceeding specified limitations.

Section 4.17. Access to Information. Purchaser has had an opportunity to discuss the Company's management, business plan and financial condition with the Company's management. Purchaser understands that a purchase of the Purchaser Preferred Shares involves a high degree of risk, and there can be no assurance the Company's business objectives will be obtained.

Section 4.18. Legends. Purchaser understands that each certificate representing the Purchaser Preferred Shares shall bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

ARTICLE V

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF PURCHASER IN THE EVENT OF AN EXERCISE OF THE CALL RIGHT, THE PUT RIGHT OR THE ADDITIONAL CALL RIGHT

Section 5.01. The obligation of Purchaser to consummate the purchase of the Remaining Shares after exercise of the Call Right or the Put Right and the obligation of Purchaser to consummate the purchase of the Remaining Shares after exercise of the Additional Call Right are subject to the fulfillment prior to or at the Subsequent Closing of the following conditions (any one or more of which may be waived in whole or in part by Purchaser at Purchaser's option):

(a) Material Adverse Effect. Since the date of the Balance Sheet, there shall not have been a Company Material Adverse Effect, and the President and Chief Financial Officer of the Company shall have certified to such effect to Purchaser in writing.

(b) Governmental Consents. The waiting period under the HSR Act (as defined below), if applicable, shall have expired or been terminated.

(c) Performance of the Company. The Company's Revenues for the last four full fiscal quarters completed prior to the date of the Call Right Notice, the Put Right Notice or the Additional Call Right Notice, as applicable, shall have increased over the Company's Revenues for the four full fiscal quarters ended September 30, 2001 by at least the lower of (A) a compound annual growth rate of ten percent (10%) or (B) the compound annual growth rate by which Purchaser's Revenues increased during such period. From the last day of the fiscal quarter ended September 30, 2001 to the end of the last full fiscal quarter completed prior to the date of the Call Right Notice, the Put Right Notice or the Additional Call Right Notice, as applicable, the Company's Operating Income Margin as reflected in the Company's financial statements prepared in accordance with generally accepted accounting principles shall not be less than the lower of (A) ten percent (10%) or (B) Purchaser's Operating Income Margin for the same period. The Company's Tangible Net Worth (as defined in Section 11.16 hereof) at the end of the last day of the month preceding the date of the Call Right Notice, the Put Right Notice or the Additional Call Right Notice, as applicable, shall be at least equal to $3,183,000. The President and Chief Financial Officer of the Company shall have certified to such effect to Purchaser in writing.

(d) Approvals; No Prohibition. (i) No temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition preventing the purchase and sale of the Remaining Shares or the other transactions contemplated by this Agreement and the Agreement of Merger shall be in effect, nor shall any proceeding by an administrative agency or commission or court or other agency of government seeking any of the foregoing be pending.

(ii) The Agreement of Merger and the Merger shall have been duly adopted and approved by the requisite vote of the Company's shareholders and approved by the Company's Board of Directors in accordance with the California General Corporation Law.

(e) Performance and Compliance. The Company and the Shareholders shall have performed and complied in all material respects with all agreements and covenants contained herein required to be performed or complied with by them prior to or at the Subsequent Closing Date, and the President and Chief Financial Officer of the Company and each Shareholder shall have certified to such effect to Purchaser in writing.

(f) Opinion of Counsel. The Company and the Shareholders shall have delivered to Purchaser an opinion (the "Pillsbury Opinion") of their counsel, Pillsbury Winthrop LLP ("Pillsbury"), dated the Subsequent Closing Date, in substantially the form attached hereto as Exhibit I.

(g) Subsidiaries. The Company shall have delivered to Purchaser the original certificates representing the capital stock of each Subsidiary.

(h) Satisfactory Instruments of Transfer. All instruments and documents required on the Company's and the Shareholders' parts to effectuate and consummate the transactions contemplated at the Subsequent Closing shall be delivered to Purchaser and shall be in form and substance reasonably satisfactory to Purchaser.

(i) Additional Representations and Warranties of the Company. (i) The following representations and warranties of the Company not qualified as to materiality shall be true and correct in all material respects, and the following representations and warranties that are qualified as to materiality shall be true and correct, in each case as of the Subsequent Closing Date, and the Company shall have delivered to Purchaser a certificate to such effect signed by an authorized officer of the Company.

(A) Authorization of Agreement of Merger; Validity. The execution and delivery by the Company of the Agreement of Merger and the performance by the Company and the Shareholders of their obligations under the Agreement of Merger have been duly authorized by all requisite corporate action including shareholder approval and will not violate any provision of law, any order of any court or other agency of government, the Charter Documents or the Bylaws of the Company, as amended, the certificate or articles of incorporation or Bylaws of any Subsidiary, as amended, or any provision of any indenture, agreement or other instrument to which the Company, any Subsidiary or any of the properties or assets of the Company or any Subsidiary is bound, or 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, restriction, claim or encumbrance of any nature whatsoever upon any of the properties or assets of the Company or any Subsidiary. The Agreement of Merger 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 (1) the effect of applicable bankruptcy, insolvency, reorganization, moratorium or other similar Federal or state laws affecting the rights of creditors; and (2) the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity).

(B) Financial Statements. (1) The Company has furnished to Purchaser the audited consolidated balance sheets of the Company and the Subsidiaries (the latest such audited consolidated balance sheets is defined as, the "Post-Initial Closing Balance Sheet") and the related audited consolidated statements of income and cash flows of the Company and the Subsidiaries that the Company is required to furnish to Purchaser pursuant to Section 7.01(a) hereof, and the Company has furnished to Purchaser the

unaudited consolidated balance sheets of the Company and the Subsidiaries and the related unaudited consolidated statements of income and cash flows of the Company and the Subsidiaries that the Company is required to furnish to Purchaser pursuant to Section 7.01(b) hereof (collectively, the "Post-Initial Closing Financial Statements"). The Post-Initial Closing Financial Statements have been prepared in accordance with generally accepted accounting principles consistently applied (except that the unaudited financial statements are subject to normal recurring year-end adjustments and do not contain all of the footnotes under generally accepted accounting principles) and fairly present in all material respects the consolidated financial position of the Company and the Subsidiaries as of their respective dates, and the consolidated results of operations and cash flows of the Company and the Subsidiaries as of their respective dates. Since the date of the Post-Initial Closing Balance Sheet, no event or condition that individually or in the aggregate has had or reasonably would be expected to have a Company Material Adverse Effect has occurred or is continuing.

(2) The Post-Initial Closing Financial Statements reflect all liabilities of the Company and the Subsidiaries, whether absolute, accrued or contingent, as of the respective dates thereof, of the type required to be reflected or disclosed in a balance sheet (or the notes thereto) prepared in accordance with generally accepted accounting principles. Neither the Company nor any Subsidiary has any liabilities or obligations of any nature that are not reflected on the Post-Initial Closing Financial Statements other than current liabilities (within the meaning of generally accepted accounting principles) incurred since the respective dates thereof in the ordinary course of business. There is no basis for the assertion against the Company or any Subsidiary of any material liability (other than current liabilities referred to above) not fully reflected or reserved against in the Post-Initial Closing Financial Statements.

(3) The Post-Initial Closing Financial Statements reflect reserves or other appropriate provisions at least equal to reasonably anticipated liabilities, losses, sales credits and allowances, and expenses of the Company and the Subsidiaries as of the respective dates thereof, including, without limitation, those with respect to income and other taxes (including alternative minimum tax), warranty claims, bad debts, unsalable inventories, salaries, and plans and programs (including medical and other benefits programs) for the benefit of present and former employees.

(C) Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be

necessary for the valid execution, delivery and performance by the Company of the Agreement of Merger, other than (1) filings pursuant to state securities laws and (2) filings pursuant to the California Corporations Code which will be duly made on a timely basis in connection with the sale of the Remaining Shares.

(ii) The following representations and warranties of the Company shall be true and correct in all respects as of the Subsequent Closing Date, and the Company shall have delivered to Purchaser a certificate to such effect signed by an authorized officer of the Company.

(A) Capitalization. The shareholders of record and holders of subscriptions, warrants, options, convertible securities, and other rights (contingent or other) to purchase or otherwise acquire equity securities of the Company, and the number of shares of Company Common Stock and the number of such subscriptions, warrants, options, convertible securities, and other such rights held by each, are as set forth in the schedule attached to this representation and warranty (such schedule to be prepared at the Subsequent Closing).

Section 5.02. The obligation of Purchaser to consummate the purchase of the Remaining Shares after exercise of the Call Right or the Put Right is subject to the fulfillment prior to or at the Subsequent Closing of the following condition (which may be waived in whole or part by Purchaser at Purchaser's option):

(a) Opinion of Counsel. The underwriters of the Purchaser IPO will accept delivery at the closing of the Purchaser IPO of an opinion of counsel to Purchaser addressed to such underwriters which contains qualifications which are identical or substantially similar to the Pillsbury Qualifications (as defined below) insofar as they affect the opinions included in such opinion of counsel to Purchaser. "Pillsbury Qualifications" are those qualifications or exceptions set forth in the Pillsbury Opinion which are in addition to or different from those set forth in the form of opinion of Pillsbury attached hereto as Exhibit I, including items set forth on Schedule 1 to the Pillsbury Opinion.

ARTICLE VI

CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE COMPANY AND THE SHAREHOLDERS IN THE EVENT OF AN EXERCISE OF THE CALL RIGHT, THE PUT RIGHT OR THE ADDITIONAL CALL RIGHT

Section 6.01. The obligation of the Company and the Shareholders to consummate the sale of the Remaining Shares after exercise of the Call Right or the Put Right and the obligation of the Company and the Shareholders to consummate the sale of the Remaining Shares after exercise of the Additional Call Right are subject to the fulfillment prior to or at the Subsequent Closing of the following conditions (any one or more of which may be waived in whole or in part by the Company and the Shareholders at their option):

(a) Material Adverse Effect. Since the date of the Purchaser Balance Sheet, there shall not have been a Purchaser Material Adverse Effect, and the President and Chief Financial Officer of Purchaser shall have certified to such effect to the Company in writing.

(b) Governmental Consents. The waiting period under the HSR Act (as defined below), if applicable, shall have expired or been terminated.

(c) No Prohibition. (i) No temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition preventing the purchase and sale of the Remaining Shares or the other transactions contemplated by this Agreement or the Agreement of Merger shall be in effect nor shall any proceeding by any administrative agency or commission or court or other agency of the government seeking any of the foregoing be pending.

(ii) The Agreement of Merger and the Merger shall have been duly adopted and approved by the requisite vote of the Company's shareholders in accordance with the California General Corporation Law.

(d) Opinions of Counsel. The Purchaser shall have delivered to the Company and the Shareholders an opinion of its counsel, Dechert, dated the Subsequent Closing Date, in substantially the form attached hereto as Exhibit J.

(e) Performance and Compliance. Purchaser shall have performed and complied in all material respects with all agreements and covenants contained herein required to be performed or complied with by it prior to or at the Subsequent Closing Date, and an authorized officer of Purchaser shall have certified to such effect to the Company in writing.

(f) Satisfactory Instruments of Transfer. All instruments and documents required on Purchaser's part to effectuate and consummate the transactions contemplated at the Subsequent Closing shall be delivered to the Company and shall be in form and substance reasonably satisfactory to the Company.

(g) Representations and Warranties of the Merger Subsidiary. The following representations and warranties of Merger Subsidiary not qualified as to materiality shall be true and correct in all material respects, and the following representations and warranties that are qualified as to materiality shall be true and correct, in each case as of the Subsequent Closing

Date, and Purchaser and Merger Subsidiary shall have delivered to the Company a certificate signed by an authorized officer of each of Purchaser and Merger Subsidiary to such effect.

(i) Organization, Qualifications and Corporate Power. Merger Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the State of California and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification. Merger Subsidiary has the corporate power and corporate authority to own and hold its properties and to carry on its business as now conducted, and to execute, deliver and perform the Agreement of Merger.

(ii) Authorization of Agreements, Etc. The execution and delivery by Merger Subsidiary of the Agreement of Merger and the performance by Merger Subsidiary of its obligations thereunder, have been duly authorized by all requisite corporate action and will not violate any provision of law, any order of any court or other agency or government, the Articles of Incorporation of Merger Subsidiary, or the Bylaws of Merger Subsidiary, or any provision of any indenture, agreement or other instrument to which Merger Subsidiary or any of its respective properties or assets is bound, or 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. The Merger Subsidiary is in full compliance with all of the terms and provisions of its governing documents.

(iii) Validity. The Agreement of Merger has been duly executed and delivered by Merger Subsidiary and constitutes the legal, valid and binding obligation of Merger Subsidiary, enforceable in accordance with its terms.

Section 6.02. In addition to the conditions listed in Section 6.01, the obligation of the Company and the Shareholders to consummate the sale of the Remaining Shares after exercise of the Additional Call Right if Purchaser has elected to pay the Additional Call Right Purchase Amount at least in part pursuant to the Purchaser Promissory Notes (it being understood that if Purchaser elects to pay all of the Additional Call Right Purchase Amount in cash at the Subsequent Closing, the following conditions do not apply) are subject to the fulfillment prior to or at the Subsequent Closing of the following conditions (any one or more of which may be waived in whole or in part by the Company and the Shareholders at their option):

(a) Performance of the Purchaser. Purchaser's Revenues for the last four full fiscal quarters completed prior to the date of the Additional Call Right Notice shall have increased over Purchaser's Revenues for the four full fiscal quarters ended September 30, 2001 by at least the lower of (A) a compound annual growth rate of ten percent (10%) or (B) the compound annual growth rate by which the Company's Revenues increased during such period; (ii) for the last four full fiscal quarters completed prior to the date of the Additional Call Right

Notice, Purchaser's Operating Income Margin as reflected in Purchaser's financial statements prepared in accordance with generally accepted accounting principles shall not be less than the lower of (A) ten percent (10%) or (B) the Company's Operating Income Margin for the same period. Purchaser's Tangible Net Worth at the end of the last day of the month preceding the date of the Additional Call Right Notice shall be at least equal to $49,219,000.

(b) Performance and Compliance. Purchaser shall have performed and complied in all material respects with all agreements and covenants contained herein required to be performed or complied with by it prior to or at the Subsequent Closing Date, and an authorized officer of Purchaser shall have certified to such effect to the Company in writing.

Section 6.03. In addition to the conditions set forth in Section 6.01, the obligation of the Company and the Shareholders to consummate the sale of the Remaining Shares after exercise of the Call Right or the Put Right are subject to the fulfillment prior to or at the Subsequent Closing of the following conditions (any one or more of which may be waived in whole or in part by the Company and the Shareholders at their option):

(a) Additional Representations and Warranties of Purchaser. The following representations and warranties of Purchaser not qualified as to materiality shall be true and correct in all material respects, and the following representations and warranties that are qualified as to materiality shall be true and correct, in each case as of the Subsequent Closing Date, and Purchaser shall have delivered to the Company a certificate to such effect signed by an authorized officer of Purchaser.

(i) Authorization of Agreements, Etc.

(A) The execution and delivery by Purchaser of the Agreement of Merger and the Purchaser Shares Registration Rights Agreement, the performance by Purchaser of its obligations thereunder and the issuance, sale and delivery of the Purchaser Shares have been duly authorized by all requisite corporate action and do not violate any provision of law, any order of any court or other agency of government or the Purchaser Charter Documents, or any provision of any indenture, agreement or other instrument to which Purchaser or Purchaser Subsidiary or any of the properties or assets of Purchaser or Purchaser Subsidiary is bound, or 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, claim or encumbrance of any nature whatsoever upon any of the properties or assets of Purchaser other than (x) pursuant to bank debt outstanding on the Subsequent Closing Date, (y) would not result in a Material Adverse Effect on Purchaser, or (z) would prohibit or materially delay any payment to be made under the Purchaser Promissory Notes.

(B) The Purchaser Shares have been duly authorized and, when issued in accordance with this Agreement and the Agreement of Merger, will be validly issued, fully paid and nonassessable shares of Common Stock of Purchaser with no personal liability attaching to the ownership thereof and will be free and clear of all liens, charges, claims and encumbrances imposed by or through Purchaser. None of the issuance, sale or delivery of the

Purchaser Shares is subject to any preemptive right of stockholders of Purchaser or to any right of first refusal or other right in favor of any person which has not been waived.

(ii) Validity. The Agreement of Merger and the Purchaser Shares Registration Rights Agreement has been duly executed and delivered by Purchaser and constitute the legal, valid and binding obligations of Purchaser, enforceable in accordance with their terms, subject to (A) the effect of applicable bankruptcy, insolvency, reorganization, moratorium or other similar federal or state laws affecting the rights of creditors; (B) the effect or availability of rules of law governing specific performance, injunctive relief or other equitable remedies (regardless of whether any such remedy is considered in a proceeding at law or in equity); and (C) to the extent the indemnification provisions contained in the Purchaser Shares Registration Rights Agreement may be limited by applicable Federal or state securities laws.

(iii) Purchaser IPO Prospectus. The final prospectus related to the Purchaser IPO, as of the date of such prospectus, does not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) Performance and Compliance. Purchaser shall have performed and complied in all material respects with all agreements and covenants contained herein required to be performed or complied with by it prior to or at the Subsequent Closing Date, and an authorized officer of Purchaser shall have certified to such effect to the Company in writing.

(c) Governmental Approvals. No registration or filing with, or consent or approval of or other action by, any Federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance by Purchaser of the Agreement of Merger, other than (1) filings pursuant to state securities laws (all of which filings have been made by Purchaser, other than those which are required to be made after the Subsequent Closing which will be made by Purchaser) and (2) filings pursuant to California Corporations Code which will be duly made on a timely basis in connection with the sale of the Remaining Shares (all of which filings have been made by Purchaser).

ARTICLE VII

COVENANTS OF THE COMPANY AND THE SHAREHOLDERS

The Company and, with respect to Sections 7.11 and 7.12, the Shareholders covenant and agree with Purchaser that, unless otherwise consented to by Purchaser in writing:

Section 7.01. Financial Statements, Reports, Etc. The Company shall furnish to Purchaser:

(a) within ninety (90) days after the end of each fiscal year of the Company a consolidated balance sheet of the Company as of the end of such fiscal year and the related consolidated statements of income, shareholders' equity and cash flows for the fiscal year then ended, prepared in accordance with generally accepted accounting principles and certified to that

effect by a firm of independent public accountants selected by the Board of Directors of the Company;

(b) within forty-five (45) days after the end of each fiscal quarter of the Company a consolidated balance sheet of the Company as of the end of such fiscal quarter and the related consolidated statements of income, shareholders' equity and cash flows for the fiscal quarter then ended, unaudited but prepared in accordance with generally accepted accounting principles (except that the unaudited financial statements are subject to normal recurring year-end adjustments and do not contain all of the footnotes under generally accepted accounting principles);

(c) promptly upon sending, making available or filing the same, all press releases, reports and financial statements that the Company sends or makes available to its shareholders or files with the Commission; and

(d) promptly, from time to time, such other information regarding the business, prospects, financial condition, operations, property or affairs of the Company as Purchaser reasonably may request.

Section 7.02. Reserve for Conversion Shares. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Company Common Stock, for the purpose of effecting the conversion of the Purchaser Preferred Shares and otherwise complying with the terms of this Agreement, such number of its duly authorized shares of Company Common Stock as shall be sufficient to effect the conversion of the Purchaser Preferred Shares from time to time outstanding or otherwise to comply with the terms of this Agreement. If at any time the number of authorized but unissued shares of Company Common Stock shall not be sufficient to effect the conversion of the Purchaser Preferred Shares or otherwise to comply with the terms of this Agreement, the Company will forthwith take such corporate action as may be necessary and within its control and use its best efforts to cause the shareholders of the Company to take such corporate action as may be necessary to increase its authorized but unissued shares of Company Common Stock to such number of shares as shall be sufficient for such purposes. The Company will obtain any authorization, consent, approval or other action by or make any filing with any court or administrative body that may be required under applicable state securities laws in connection with the issuance of shares of Company Common Stock upon conversion of the Purchaser Preferred Shares.

Section 7.03. Corporate Existence; Line and Operation of Business. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, the Company shall maintain its corporate existence, rights and franchises in full force and effect and shall not enter any line of business which is not consistent with the business and the markets it currently serves as disclosed in the Confidential Memorandum dated April 2001 of the Company. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, the Company shall operate its business in good faith consistent with its past practices and shall not take actions not in the ordinary course of its business or change its accounting methods with the primary purpose of increasing the Company's Revenues in any calculation under this Agreement.

Section 7.04. Cooperation in connection with the Purchaser IPO. The Company shall, in addition to its obligations under Section 7.06 hereof, use its commercially reasonable efforts to assist Purchaser in achieving the consummation of the Purchaser IPO. The Company shall use its commercially reasonable efforts to assist Purchaser in preparing and filing with the Commission and having declared effective by the Commission the registration statement related to the Purchaser IPO. In furtherance of the foregoing, the Company shall make its officers, directors, employees and public accountants, upon reasonable prior notice, reasonably available to Purchaser and such persons as Purchaser may designate (including the underwriters of the Purchaser IPO), and the Company shall cause its officers, directors, employees and public accountants to participate in such meetings, due diligence sessions, management presentations, roadshow presentations and other events as Purchaser requests in connection with the Purchaser IPO; provided, however, that Purchaser shall pay any and all costs or expenses associated with the foregoing incurred from third parties and all reasonable out-of-pocket costs and expenses incurred by the Company.

Section 7.05. Properties, Business, Insurance. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, the Company shall maintain its properties and business and the properties and business of the Subsidiaries with insurance from financially sound and reputable insurers against such casualties and contingencies and of such types and in such amounts as is customary for companies similarly situated.

Section 7.06. Inspection, Consultation and Advice. Prior to the earlier to occur of the Subsequent Closing Date, the Termination Date or the date on which Purchaser ceases to own at least fifty percent (50%) of the Purchaser Preferred Shares, the Company shall permit Purchaser and such persons as Purchaser may designate, at Purchaser's expense, from time to time, to visit and inspect any of the properties of the Company, examine the Company's books, discuss the affairs, finances and accounts of the Company with its officers, employees and public accountants (and the Company hereby authorizes said accountants to discuss with Purchaser and such designees such affairs, finances and accounts), and consult with and advise the management of the Company as to its affairs, finances and accounts, all at reasonable times and upon reasonable notice; provided, however, that the Company shall not be obligated pursuant to this Section 7.06 to provide access to any information which it reasonably considers to be a trade secret or similar confidential information except as required by law. The recipients of any confidential information pursuant to this Section 7.06 agree to hold such information in confidence.

Section 7.07. Restrictive Agreements Prohibited; Integration. (a) The Company shall not become a party to any agreement which by its terms restricts the Company's performance of this Agreement or the Registration Rights Agreement.

(b) Neither the Company nor any person acting on its behalf will take any action (including, without limitation, any offer, issuance or sale of any security of the Company which might require the integration of such security with the Purchaser Preferred Shares under the Securities Act or the rules and regulations of the Commission thereunder) so as to subject the offering, issuance, or sale of the Purchaser Preferred Shares to the registration requirements of the Securities Act.

Section 7.08. Use of Proceeds; Purchaser Preferred Shares. The Company may use all or any portion of the Initial Closing Payment to effect the Company Repurchase. The Company Repurchase shall comply with all applicable laws. The shares of Company Common Stock issuable upon conversion of all of the Purchaser Preferred Shares purchased by Purchaser in the Initial Closing shall represent (after giving effect to such conversion) not less than twelve and one-half percent (12 -1/2%) of the Fully Diluted Shares (as defined below) of the Company on the Measuring Date. The Certificate of Determination shall provide that if the shares of Company Common Stock issuable upon conversion of all of the Purchaser Preferred Shares purchased by Purchaser in the Initial Closing represents less than twelve and one-half percent (12 -1/2%) of the Fully Diluted Shares of the Company on the Measuring Date, the Company shall issue to Purchaser the number of Preferred Shares required so that after such issuance, the Purchaser Preferred Shares owned by Purchaser shall be convertible into shares of Company Common Stock representing (after giving effect to such conversion) not less than twelve and one-half percent (12 -1/2%) of the Fully Diluted Shares of the Company on the Measuring Date.

Section 7.09. Employee Nondisclosure and Developments Agreements. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, the Company shall use its best efforts to obtain an Employment Non-Disclosure and Assignment of Inventions Agreement in substantially the form provided to Purchaser, or in such other form as is approved by the Board of Directors of the Company, from all future officers, key employees and other employees who will have access to confidential information of the Company or any Subsidiary, upon their employment by the Company or any Subsidiary.

Section 7.10. Keeping of Records and Books of Account. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, the Company shall keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied, reflecting all financial transactions of the Company, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, taxes, bad debts and other purposes in connection with its business shall be made.

Section 7.11. Non-Competition; Non-Solicitation; Customer Interference.

(a) Each Shareholder (other than Messrs. William DiGiovanni, Dennis Row and Renzo W. Spanhoff), severally and not jointly, agrees that he shall not, (i) during the period from the Initial Closing Date until two years after the Subsequent Closing Date, or (ii) if there has not been a Subsequent Closing, until the Termination Date (such period, the "Restriction Period"), participate in or engage in, or otherwise lend assistance (financial or otherwise) to any person participating in or engaged in or be (except as the holder of the shares or debentures in a public company which confer not more than five percent (5%) of the votes which could normally be cast at a general meeting of such company) directly or indirectly interested in carrying on any of the lines of business in which the Company is participating or engaged on the Initial Closing Date anywhere in the world.

(b) Each Shareholder agrees, severally and not jointly, that he shall not, during the Restriction Period, employ, solicit or entice away or seek to employ, solicit or entice away from the employment of the Company or Purchaser (otherwise than in response to a

newspaper or trade advertisement) any person who is at the Initial Closing an officer or employee of the Company or Purchaser.

(c) Each Shareholder agrees, severally and not jointly, that he shall not, during the Restriction Period, cause or attempt to cause (i) any client, customer or supplier of the Company to terminate or materially reduce its business with the Company or (ii) any officer or employee of the Company to resign or sever a relationship with the Company.

(d) The parties hereto recognize that the laws and public policies of the various states of the United States may differ as to the validity and enforceability of covenants similar to those set forth in this Section. It is the intention of the parties that the provisions of this Section be enforced to the fullest extent permissible under the laws and policies of each jurisdiction in which enforcement may be sought, and that the unenforceability (or the modification to conform to such laws or policies) of any provisions of this Section shall not render unenforceable, or impair, the remainder of the provisions of this Section. Accordingly, if any provision of this Section shall be determined to be invalid or unenforceable, such invalidity or unenforceability shall be deemed to apply only with respect to the operation of such provision in the particular jurisdiction in which such determination is made and not with respect to any other provision or jurisdiction. Purchaser and the Shareholders acknowledge and agree that any remedy at law for any breach of the provisions of this Section would be inadequate, and each Shareholder hereby consents to the granting by any court of an injunction or other equitable relief in order that the breach or threatened breach of such provisions may be effectively restrained.

Section 7.12. Voting Agreements; No Solicitation; Option Agreements.

(a) Voting Agreement. At the Initial Closing, each Shareholder will enter into a voting agreement and proxy with Purchaser in the form attached hereto as Exhibit K (the "Voting Agreement").

(b) No Solicitation. From the date hereof until the earlier to occur of the date immediately following the Subsequent Closing Date or the Termination Date, the Company will not, nor shall it permit or authorize any of its officers, directors, employees, agents or representatives (collectively, the "Representatives") to, (i) solicit or initiate, or encourage, directly or indirectly, any inquiries regarding the submission of, any proposal for action or agreement that could reasonably be expected to impede, interfere with, delay, postpone or materially adversely affect the transactions contemplated by this Agreement or the likelihood of the Transactions being consummated (a "Proposal"), (ii) participate in any discussions or negotiations regarding, or furnish to any person any information or date with respect to, or take any other action to knowingly facilitate the making of any proposal that constitutes, or may reasonably be expected to lead to, any Proposal or (iii) enter into any agreement with respect to any Proposal or approve or agree or resolve to approve any Proposal. Upon execution of this Agreement, the Company will and will cause its Representatives to, immediately cease any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. The Company will promptly (and in any event, within 24 hours) advise Purchaser orally and in writing of any request for information or the submission or receipt of any Proposal, or any inquiry with respect to or which could lead to any Proposal, the material terms

and conditions of such request, Proposal or inquiry and the identity of the person making any such request, Proposal or inquiry and the Company's response or responses thereto.

(c) Option Agreements. At the Initial Closing, each Shareholder will enter into an option agreement with Purchaser in the form attached hereto as Exhibit L (the "Option Agreement"). Any shares acquired by Purchaser pursuant to an Option Agreement shall be included as shares owned by Purchaser for calculating the Acquired Percentage and for the calculation in Section 1.03(e)(i) hereof.

Section 7.13. Certain Restrictions and Limitations. Prior to the earlier to occur of the Subsequent Closing or the Termination Date, the Company will not, without the vote or written consent of the holders of at least a majority of the Purchaser Preferred Shares consent to any liquidation, dissolution or winding up of the Company or consolidate or merge into or with any other entity or entities or sell, lease, abandon, transfer or otherwise dispose of all or a material portion of its assets (other than a consolidation, merger or other business combination the result of which is that the aggregate amount of outstanding shares of the Company subject to the Voting Agreements and the irrevocable proxies coupled with interests contained therein represent more than a majority of the Fully Diluted Shares (as defined below but without taking account of the conversion of the Series A Preferred Stock into Company Common Stock) of the Company after such consolidation, merger or other business combination) unless all holders of any new securities of the Company issued in such transaction execute and deliver to Purchaser the Voting Agreement and the irrevocable proxy coupled with an interest in the form of the proxy set forth therein.

Section 7.14. Restrictive Legend; Issuance of Additional Securities. All shares of any class of securities of the Company issued after the date hereof shall bear the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF THE PURCHASE AND OPTION AGREEMENT DATED JANUARY 25, 2002 BY AND AMONG THE COMPANY, PURCHASER AND CERTAIN OF THE SHAREHOLDERS OF THE COMPANY, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

Subject to the Charter Documents, the Company may issue any shares of any class of its securities after the date hereof (such shares, the "Additional Shares"); provided, however, that the Company will not issue Additional Shares (including Company Common Stock issuable upon the exercise of Company Options granted after the date hereof) such that the aggregate amount of outstanding shares of the Company subject to the Voting Agreements and the irrevocable proxies coupled with interests contained therein after such issuance would represent less than a majority of the Fully Diluted Shares (as defined below but without taking account of the conversion of the Series A Preferred Stock into Company Common Stock) of the Company, unless the proposed holders of such Additional Shares execute and deliver to Purchaser the Voting Agreement and the irrevocable proxy coupled with an interest in the form of the proxy set forth therein. Notwithstanding the foregoing, subject to the Charter Documents and except as set forth in Section 7.08 hereof or in connection with the issuance of Company Common Stock upon the exercise of Company Options granted prior to the date hereof or Company Options granted to management or key employees of the Company in the ordinary course of business after the date hereof, in no event shall the Company issue any Additional Shares or options to purchase

securities of the Company to any person who is a shareholder or optionholder of the Company on the date hereof or an affiliate of any such person. The restrictions set forth in the first sentence of this paragraph shall not apply to the issuance of Company Common Stock upon the exercise of a Company Option granted prior to the date hereof by an optionholder who is not a Shareholder.

Section 7.15. Money Obligations. The Company will pay in full:

(a) in accordance with past practice, all taxes, assessments, and governmental charges or levies imposed upon the Company or upon the income and profits of the Company, or upon any property, real, personal or mixed, belonging to the Company, or upon any part thereof, as well as all claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon the franchises, properties, earnings or business of the Company; provided, however, that the Company shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and for which a bond staying execution or enforcement thereof shall have been posted, or adequate reserves therefor established; and

(b) in accordance with past practice, all debts, obligations and liabilities, for which it may be or become liable or to which any or all of its properties may be or become subject.

Section 7.16. Agreements. Unless disputed in good faith, the Company shall timely comply in all material respects with all its agreements and obligations under all leases, subleases, agreements and contracts, and shall not default thereunder.

Section 7.17. Transactions with Affiliates. Prior to the earlier to occur of the Subsequent Closing or the Termination Date, the Company will not enter into or participate in any transaction (other than an arm's length transaction) with any director, officer, employee or holder of more than 5% of the outstanding capital stock of any class or series of capital stock of the Company, member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or member of the family of any such person, is a director, officer, trustee, partner or holder of more than 5% of the outstanding capital stock thereof.

Section 7.18. Dividends, Distributions and Payments to Shareholders; Option Grants. Prior to the earlier to occur of the Subsequent Closing or the Termination Date, the Company will not (a) declare or pay any dividend on any class of its capital stock or make any payment on account of the purchase, redemption (except for (i) the Company Repurchase, (ii) the repurchase of Company Common Stock from employees, officers or directors pursuant to agreements under which the Company has an option to repurchase such shares at cost upon the termination of employment with or services to the Company or (iii) the dividend of the aggregate amount of any cash proceeds received by the Company from the exercise of the Company Options after the Initial Closing Date and prior to the Subsequent Closing Date) or other retirement of any shares of any class of its capital stock, (b) make any other distribution or payment in respect of any class of its capital stock, (c) make any payment of principal or interest on account of any indebtedness of the Company to any shareholder of the Company, or (d) grant any option to purchase shares of Company Common Stock or other securities of the Company if (i) the per

share price that would be paid to the Company upon exercise of such option is greater than the fair market value (determined in good faith by the Board of Directors of the Company) on the date of such grant of a share of the security underlying such option or (ii) such option vests at a rate that is faster than one-third (1/3) of the number of shares of securities underlying such option on the date of such grant in each of the three (3) years immediately following such grant; provided, however, that the provisions of this subclause (d)(ii) shall not prohibit the accelerated vesting of Company Options pursuant to Section 1.03(i)(A) hereof or the accelerated vesting of Additional Call Right Out-of-Money Options pursuant to Section 1.03(i)(B) hereof. Notwithstanding anything to the contrary herein, during the period of time (x) between the Initial Closing and March 31, 2003, the Company shall not grant options to purchase more than 200,000 shares of Company Common Stock or other securities of the Company, and (y) between April 1, 2003 and the Subsequent Closing, the Company shall not grant options to purchase more than 100,000 shares of Company Common Stock or other securities of the Company in addition to the options permitted to be granted under the immediately preceding clause (x).

Section 7.19. Other Information and Events. The Company will furnish to Purchaser:

(a) as soon as possible and in any event within five (5) days after the Company receives notice from any party to any agreement that the Company is in default thereunder, a copy of such notice and a written statement by an authorized officer of the Company setting forth details as to such default and stating the action, if any, which the Company proposes to take with respect thereto;

(b) immediately after the commencement thereof, notice in writing of all actions, suits, investigations and proceedings by or before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, against or affecting the Company or any of its properties or assets; and

(c) within five (5) days after the furnishing of any opinion of the Company's counsel made available to the Company's independent public accountants, a copy of such opinion.

Section 7.20. Future Subsidiaries. In the event the Company shall acquire or create a subsidiary or subsidiaries, the Company agrees that the covenants contained in this Article VII shall apply to the Company and such subsidiaries on a consolidated basis.

Section 7.21. Qualification. The Company will duly license or qualify itself and each Subsidiary to transact business as a foreign corporation and will ensure that itself and each Subsidiary is in good standing in each jurisdiction in which the nature of the business transacted by the Company or each Subsidiary, respectively, or the character of the properties owned or leased by the Company or each Subsidiary, respectively, requires such licensing or qualification.

Section 7.22. Draft Opinion. Following Pillsbury's completion of its due diligence review of the corporate books and records of the Company, and not later than ninety (90) days after the Initial Closing Date, the Company shall cause Pillsbury to deliver to Purchaser the proposed qualifications and exceptions to opinion 2 in the form of opinion of Pillsbury attached hereto as Exhibit I and an explanation of any such qualifications and exceptions proposed to be

taken. The proposed qualifications and exceptions so delivered to Purchaser shall not be deemed to limit the ability of Pillsbury to add qualifications and exceptions to the opinion to which such qualifications and exceptions relate based on facts or circumstances that arise or about which Pillsbury becomes aware after the date of such delivery.

ARTICLE VIII

COVENANTS OF PURCHASER

Section 8.01. Financial Statements, Reports. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, Purchaser shall furnish to the Company:

(a) within 120 days after the end of each fiscal year of Purchaser, a balance sheet of Purchaser as of the end of such year and statements of income and cash flows for such year, which year-end financial reports shall be in reasonable detail and prepared in accordance with generally accepted accounting principles consistently applied and shall be audited and accompanied by the opinion of independent public accountants of a "Big 5" accounting firm approved by the board of directors of Purchaser;

(b) within 45 days after the end of each of its first three fiscal quarters, unaudited financial statements of Purchaser on a quarterly basis prepared in accordance with generally accepted accounting principles and fairly reflecting the fiscal affairs of Purchaser to the date thereof;

(c) contemporaneously with delivery to holders of common stock of Purchaser, a copy of each report of Purchaser delivered to holders of common stock of Purchaser;

(d) a notice summarizing any material litigation initiated by or against Purchaser and any material developments regarding any such litigation or regarding other material legal or regulatory issues, in each case promptly after the occurrence thereof; and

(e) such other available information as is reasonably requested by the Company.

Section 8.02. Voting. In the event that exercise of the Put Right requires the approval of the shareholders of the Company, Purchaser shall vote or cause to be voted the Purchaser Preferred Shares owned by it or over which it has voting control (or, in the event some or all of the Purchaser Preferred Shares have been converted into shares of Common Stock of the Company, such shares of Common Stock owned by it or over which it has voting control) in a manner that is consistent with the recommendation of the Board of Directors of the Company. In the event that the Company seeks shareholder approval of accelerated vesting of Company Options pursuant to the fourth sentence of Section 1.03(i)(A) hereof in the manner required under Section 280G(b)(5) of the Code so as to avoid the treatment of such accelerated vesting as an "excess parachute payment" within the meaning of Section 280G of the Code, Purchaser shall vote or cause to be voted the Purchaser Preferred Shares owned by it or over which it has voting control (or, in the event some or all of the Purchaser Preferred Shares have been converted into

shares of Common Stock of the Company, such shares of Common Stock owned by it or over which it has voting control) in a manner that is consistent with the recommendation of the Board of Directors of the Company.

Section 8.03. Inspections, Consultation and Advice. Prior to the earlier to occur of the Subsequent Closing Date or the Termination Date, Purchaser shall permit the Company and the Shareholders and such persons as they may designate, at their expense to visit and inspect the headquarters of Purchaser located in Exton, Pennsylvania, and discuss the affairs, finances and accounts of Purchaser with its officers, employees and public accountants (and Purchaser hereby authorizes such accountants to discuss with the Company and the Shareholders and such designees such affairs, finances and accounts).

Section 8.04. Purchaser IPO. Purchaser shall keep the Company reasonably informed concerning the timing of the Initial Filing Date and the closing of the Purchaser IPO. Purchaser shall notify the Company pursuant to Section 11.08 hereof of the date that Purchaser expects to be the Initial Filing Date (such notice, the "IPO Notice") when Purchaser is reasonably able to predict the Initial Filing Date.

Section 8.05. Non-Solicitation. Purchaser agrees that it shall not, during the period from the Initial Closing Date until the Subsequent Closing Date, or if there has not been a Subsequent Closing, until the Termination Date, employ, solicit or entice away or seek to employ, solicit or entice away from the employment of the Company (otherwise than in response to a newspaper or trade advertisement) any person who is at the Initial Closing an officer or employee of the Company.

Section 8.06. Employee Benefits. Purchaser will provide benefits to employees of the Company as soon as reasonably practicable following the Subsequent Closing that are reasonably comparable to the benefits currently provided to similarly situated employees of Purchaser. From and after the Subsequent Closing, Purchaser shall grant all employees of the Company credit for all service (to the same extent as service with Purchaser is taken into account with respect to similarly situated employees of Purchaser) with the Company prior to the Subsequent Closing for (i) eligibility and vesting purposes and (ii) for purposes of vacation accrual after the Subsequent Closing as if such service with the Company was service with Purchaser. Purchaser and the Company agree that where applicable with respect to any medical or dental benefit plan of Purchaser, Purchaser shall, if permitted by its third party insurance providers, waive any pre-existing condition exclusion and actively-at-work requirements (provided, however, that no such waiver shall apply to a pre-existing condition of any employee of the Company who was, as of the Subsequent Closing, excluded from participation in a plan by virtue of such pre-existing condition) and similar limitations, eligibility waiting periods and evidence of insurability requirements under any of Purchaser's group health plans to the extent permitted by such plans. Purchaser shall, if permitted by its third party insurance providers, provide that any covered expenses incurred on or before the Subsequent Closing by the Company's employees or such employees' covered dependents shall be taken into account for purposes of satisfying applicable deductible, coinsurance and maximum out-of-pocket provisions after the Subsequent Closing to the same extent as such expenses are taken into account for the benefit of similarly situated employees of Purchaser. Any employment of a former Company employee shall not affect the "at will" employment status of any such employee or limit any

right of Purchaser or its applicable subsidiary to terminate any employee with or without cause following the Subsequent Closing.

Section 8.07. Merger Subsidiary. Subject to the waiver or satisfaction of the conditions precedent to the Subsequent Closing set forth in Article V hereof, Purchaser agrees to cause Merger Subsidiary to take any and all action necessary to execute the Agreement of Merger and consummate the Merger.

Section 8.08. Options. As of a Subsequent Closing in connection with the exercise of the Call Right or the Put Right, Purchaser shall grant options (collectively, the "Additional Purchaser Options") to purchase in the aggregate a number of shares of Purchaser's common stock equal to the Option Number (as defined below) multiplied by the Conversion Rate. Purchaser shall grant the Additional Purchaser Options to such employees and managers of the Company as are reasonably designated by the Chief Executive Officer of the Company. The Additional Purchaser Options shall be subject to a Purchaser stock option plan in effect generally for Purchaser's employees, shall be on terms generally comparable to those of other Purchaser employee options for new grants, and shall be exercisable at a price per share equal to (i) if the Subsequent Closing Date is the date of the consummation of the Purchaser IPO, the initial public offering price per share of common stock of Purchaser in the Purchaser IPO, or (ii) if the Subsequent Closing Date is a date other than the date of the consummation of the Purchaser IPO, the closing market price on the Subsequent Closing Date of Purchaser's common stock on the market, exchange or quotation system on which Purchaser common stock is then listed. "Option Number" means (x) in the event that the Subsequent Closing Date is on or prior to March 31, 2003, a number of shares equal to the number of shares underlying all options to purchase securities of the Company granted after the Initial Closing Date which are exercised prior to, or are outstanding immediately prior to, the Subsequent Closing Date; provided, however, that in no event shall the Option Number calculated under this clause (x) exceed 100,000, or (y) in the event that the Subsequent Closing Date is after March 31, 2003 and on or prior to December 31, 2003, a number of shares equal to the number of shares underlying all options to purchase securities of the Company granted after the Initial Closing Date which are exercised prior to, or are outstanding immediately prior to, the Subsequent Closing Date; provided, however, that in no event shall the Option Number calculated under this clause (y) exceed 150,000.

ARTICLE IX

MUTUAL COVENANTS

Section 9.01. Antitrust Notification; Governmental Approvals. Upon the written request of Purchaser or the Company, each of the Company and Purchaser shall as promptly as practicable, but in no event later than ten business days following the date of such written request, file with the United States Federal Trade Commission (the "FTC") and the United States Department of Justice (the "DOJ") the notification and report form, if any, required for the transactions contemplated by the Call Right, the Put Right or the Additional Call Right, as applicable, and any supplemental information requested in connection therewith pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder (the "HSR Act") and will request early termination of the

waiting period under the HSR Act. Any such notification and report form and supplemental information shall be in substantial compliance with the requirements of the HSR Act. Each of the Company and Purchaser shall as promptly as practicable comply with any other laws which are applicable to the purchase and sale of the Remaining Shares and pursuant to which any consent, approval, order or authorization of, or registration, declaration or filing with, any governmental entity or any other person in connection with such transaction is necessary. Each of the Company and Purchaser shall furnish to the other such necessary information and reasonable assistance as the other may request in connection with its preparation of any filing, submission, registration or declaration which is necessary under the HSR Act or any other law. The Company and Purchaser shall keep each other apprised of the status of any communications with, and any inquiries or requests for additional information from, the FTC and the DOJ and any other governmental entities and shall comply promptly with any such inquiry or request. Each of the Company and Purchaser shall use their respective commercially reasonable efforts to obtain any clearance required under the HSR Act or any other consent, approval, order or authorization of any governmental entity necessary for the purchase and sale of the Remaining Shares.

Section 9.02. Agreement of Merger. Subject to the conditions precedent to the Subsequent Closing set forth in this Agreement, each of the Company and Purchaser agrees to use its best efforts to take any and all action necessary to execute the Agreement of Merger and consummate the Merger.

Section 9.03. Taxes. The parties hereto acknowledge that the acquisition of the Remaining Shares by Purchaser pursuant to the Agreement of Merger shall be treated for federal income tax purposes as a taxable purchase of the Remaining Shares by the Purchaser from the Shareholders and each of the parties hereto agrees to report the transaction in a manner consistent with that treatment for federal income tax purposes.

ARTICLE X

INDEMNIFICATION

Section 10.01. Indemnification By the Company and the Shareholders.

(a) Extent of Indemnity. The Company, after the Initial Closing and until the Termination Date, and the Shareholders severally but not jointly (based upon each Shareholder's pro rata ownership of all issued and outstanding shares of Company Common Stock (excluding for this purpose the Purchaser Preferred Shares and all shares of Company Common Stock issuable upon conversion of the Purchaser Preferred Shares) immediately prior to the Initial Closing), after the Subsequent Closing, hereby agree to indemnify, defend and hold harmless Purchaser and its officers, directors and affiliates (the "Purchaser Indemnified Parties") from and against:

(i) any loss, liability, claim, obligation, damage, deficiency, costs and expenses, fines or penalties (including without limitation reasonable attorney fees and other defense costs, costs of investigation, remediation or other response actions) of or to a Purchaser

Indemnified Party arising out of or resulting from any misrepresentation or breach of representation or warranty of the Company or any Shareholder contained in this Agreement or in any agreement (including without limitation the Registration Rights Agreement) or statement or certificate furnished or to be furnished to Purchaser pursuant hereto or in connection with the transactions contemplated hereby, excluding the Voting Agreements and the Option Agreements (which Voting Agreements and Option Agreements include their own provisions with respect to remedies available to Purchaser);

(ii) any loss, liability, claim, obligation, damage or deficiency, costs and expenses, fines or penalties (including without limitation reasonable attorney fees and other defense costs, costs of investigation, remediation or other response actions) of or to a Purchaser Indemnified Party arising out of or resulting from any breach or nonfulfillment of any covenant or agreement of the Company or any Shareholder contained in this Agreement or in any agreement (including without limitation the Registration Rights Agreement) or statement or certificate furnished or to be furnished to Purchaser pursuant hereto or in connection with the transactions contemplated hereby, excluding the Voting Agreements and the Option Agreements (which Voting Agreements and Option Agreements include their own provisions with respect to remedies available to Purchaser); and

(iii) any actions, judgments, costs and expenses (including reasonable attorney fees and all other expenses incurred in investigating, preparing or defending any litigation or proceeding, commenced or threatened) incident to any of the foregoing or the enforcement of this Section;

provided, however, that notwithstanding the foregoing, the first source of recovery by any Purchaser Indemnified Party for Damages (as defined below) under this Section 10.01(a), for which a Shareholder shall be held liable shall be the amount deposited by such Shareholder pursuant to the Escrow Agreement in accordance with Section 1.03(h), and the recovery by such Purchaser Indemnified Party of such Damages from the amount deposited pursuant to the Escrow Agreement shall not be limited by the several and not joint nature of the liability of the Shareholders pursuant to Section 10.01(a) for any breach by the Company only (as opposed to a breach by a Shareholder) of any representation or warranty. Notwithstanding anything to the contrary herein, in the event of any breach of Section 7.11 hereof, the liability of each Shareholder shall be several and not joint. In no event shall the pro rata share of the liability of any Shareholder for any Damages pursuant to this Section 10.01 be less than a percentage that is equal to the percentage of the outstanding Company Common Stock owned by such Shareholder on the Initial Closing Date.

For purposes of this Agreement, the aggregate amount of such losses, liabilities, claims, obligations, damages, deficiencies, costs, expenses, fines or penalties (including without limitation reasonable attorney fees and other defense costs, costs of investigation, remediation or other response actions) of a party seeking indemnification under this Article X shall be hereinafter referred to as "Damage" or "Damages."

Section 10.02. Indemnification By Purchaser.

(a) Extent of Indemnity. Purchaser hereby agrees to indemnify, defend and hold harmless the Company and its officers, directors and affiliates after the Initial Closing and until the Termination Date, and the Shareholders, after the Subsequent Closing (collectively the "Company Indemnified Parties") from and against:

(i) any loss, liability, claim, obligation, damage, deficiency, costs and expenses, fines or penalties (including without limitation reasonable attorney fees and other defense costs, costs of investigation, remediation or other response actions) of or to a Company Indemnified Party arising out of or resulting from any misrepresentation or breach of representation or warranty of Purchaser or Merger Subsidiary contained in this Agreement or in any agreement (including without limitation the Registration Rights Agreement) or statement or certificate furnished or to be furnished to the Company or the Shareholders pursuant hereto or in connection with the transactions contemplated hereby;

(ii) any loss, liability, claim, obligation, damage or deficiency, costs and expenses, fines or penalties (including without limitation reasonable attorney fees and other defense costs, costs of investigation, remediation or other response actions) of or to a Company Indemnified Party arising out of or resulting from any breach or nonfulfillment of any covenant or agreement of Purchaser or Merger Subsidiary contained in this Agreement or in any agreement (including without limitation the Registration Rights Agreement) or statement or certificate furnished or to be furnished to the Company or the Shareholders pursuant hereto or in connection with the transactions contemplated hereby; and

(iii) any actions, judgments, costs and expenses (including reasonable attorney fees and all other expenses incurred in investigating, preparing or defending any litigation or proceeding, commenced or threatened) incident to any of the foregoing or the enforcement of this Section.

Section 10.03. Indemnification Procedures.

(a) For purposes of this Section 10.03, a party against which indemnification be sought is referred to as an "Indemnifying Party" and a party which may be entitled to indemnification is referred to as the "Indemnified Party." An Indemnified Party shall give prompt notice to the Indemnifying Party of the assertion of any claim, or the commencement of any action, suit or proceeding by a third party which is not an affiliate of any party hereto in respect of which indemnity may be sought hereunder (a "Third Party Claim"), and will give the Indemnifying Party such information with respect thereto as the Indemnifying Party may reasonably request, but failure to give such notice shall not relieve the Indemnifying Party of any liability hereunder except to the extent that the Indemnifying Party is actually prejudiced thereby.

(b) The Indemnifying Party shall have the right, exercisable by written notice to an Indemnified Party within 30 days of receipt of notice from an Indemnified Party of the commencement or assertion of any Third Party Claim in respect of which indemnity may be sought hereunder, to assume and conduct the defense of such Third Party Claim with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnified Party; provided

that (i) the defense of such Third Party Claim by the Indemnifying Party will not, in the reasonable judgment of the Indemnified Party, have a material adverse effect on the Indemnified Party; and (ii) the Indemnifying Party has sufficient financial resources, in the judgment of the Indemnified Party, to satisfy the amount of any adverse monetary judgment that is reasonably likely to result; and (iii) the Third Party Claim solely seeks (and continues to seek) monetary damages; and (iv) the Indemnifying Party expressly agrees in writing that as between the Indemnifying Party and the Indemnified Party, the Indemnifying Party shall be solely obligated to satisfy and discharge the Third Party Claim (the conditions set forth in clauses (i) through (iv) are collectively referred to as the "Litigation Conditions"). If the Indemnifying Party does not assume the defense of such Third Party Claim in accordance with this Section 10.03, the Indemnified Party may continue to defend the Third Party Claim. If the Indemnifying Party has assumed the defense of a Third Party Claim as provided in this Section 10.03, the Indemnifying Party will not be liable for any legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, however, that if (i) the Litigation Conditions cease to be met, or (ii) the Indemnifying Party fails to take reasonable steps necessary to defend diligently such Third Party Claim, the Indemnified Party may assume its own defense, and the Indemnifying Party will be liable for all reasonable costs or expenses paid or incurred in connection therewith.

(c) The Indemnifying Party or the Indemnified Party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim which the other is defending as provided in this Agreement.

(d) The Indemnifying Party, if it shall have assumed the defense of any Third Party Claim as provided in this Agreement, shall not, without the prior written consent of the Indemnified Party, consent to a settlement of, or the entry of any judgment arising from, any such Third Party Claim (i) which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party a complete release from all liability in respect of such Third Party Claim, or (ii) which grants any injunctive or equitable relief, or (iii) which may reasonably be expected to have a material adverse effect on the affected business of the Indemnified Party. The Indemnified Party shall have the right to settle any Third Party Claim, the defense of which has not been assumed by the Indemnifying Party, with the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

(e) The rights to indemnification of an Indemnified Party for breach of representation or warranty shall terminate when the applicable representation or warranty terminates pursuant to Section 11.02 hereof; provided, however, that such obligations to defend and hold harmless under Sections 10.01 and 10.02 shall not terminate with respect to any item as to which an Indemnified Party shall have, prior to the expiration of the survival period referred to above, previously made a claim by delivering a notice stating in reasonable detail the basis of such claim to the Indemnifying Party.

(f) Amounts payable in respect of indemnification obligations of the parties arising out of the purchase and sale of the Purchaser Preferred Shares shall be treated as an adjustment to the Initial Closing Payment. Amounts payable in respect of indemnification obligations of the parties arising out of the purchase and sale of the Remaining Shares shall be treated as an adjustment to the aggregate purchase price referred to in Section 1.03(d) or (e), as

applicable. Whether or not the Indemnifying Party chooses to defend or prosecute any Third Party Claim, all the parties hereto shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

Section 10.04. Limitations on Liability.

(a) Subject to the terms of this Agreement, the Company, after the Initial Closing and until the Termination Date, shall not be liable to Purchaser under Section 10.01(a)(i) hereof unless the cumulative total of Damages under Section 10.01(a)(i) hereof exceeds $250,000 (the "Company Initial Closing Basket") whereupon Purchaser shall be entitled to indemnification under Section 10.01 for all such Damages. The maximum liability of the Company to Purchaser for Damages under Section 10.01(a)(i) of this Agreement shall not exceed $7,500,000.

(b) Subject to the terms of this Agreement and after the occurrence of the Subsequent Closing Date, the Shareholders shall not be liable to the Purchaser under Section 10.01(a)(i) hereof unless the cumulative total of Damages under Section 10.01(a)(i) hereof exceeds $250,000 (including any Damages that have been cumulated in connection with the Company Initial Closing Basket) whereupon Purchaser shall be entitled to indemnification under Section 10.01 for all such Damages. The maximum liability of the Shareholders in the aggregate to Purchaser for Damages under Section 10.01(a)(i) of this Agreement shall not exceed $15,000,000.

(c) Subject to the terms of this Agreement, Purchaser, after the Initial Closing and until the Termination Date, shall not be liable to the Company under Section 10.02(a)(i) hereof unless the cumulative total of Damages under Section 10.02(a)(i) hereof exceeds $250,000 (the "Purchaser Initial Closing Basket") whereupon the Company shall be entitled to indemnification under Section 10.02 for all such Damages. The maximum liability of Purchaser to the Company for Damages under Section 10.02(a)(i) of this Agreement shall not exceed $7,500,000.

(d) Subject to the terms of this Agreement and after the occurrence of the Subsequent Closing Date, Purchaser shall not be liable to the Shareholders under Section 10.02(a)(i) hereof unless the cumulative total of Damages under Section 10.02(a)(i) hereof exceeds $250,000 (including any Damages that have been cumulated in connection with the Purchaser Initial Closing Basket) whereupon the Shareholders shall be entitled to indemnification under Section 10.02 for all such Damages. The maximum liability of Purchaser to the Shareholders for Damages under Section 10.02(a)(i) of this Agreement shall not exceed $15,000,000.

(e) Notwithstanding anything in this Agreement (other than the sentence that immediately follows this sentence) to the contrary, in no event shall the liability of any Shareholder for Damages under Section 10.01(a)(i) hereof exceed an amount equal to the sum of (i) any amount paid to such Shareholder in the Company Repurchase, (ii) the purchase price paid to such Shareholder at the Subsequent Closing for Remaining Shares held by such Shareholder,

(iii) any amount paid to such Shareholder pursuant to the Additional Call Right Look Back, (iv) the purchase price at the Subsequent Closing for Remaining Shares held by any holder other than such Shareholder that were owned by such Shareholder on the Initial Closing Date and (v) any amount paid pursuant to the Additional Call Right Look Back to any holder of Remaining Shares other than such Shareholder that were owned by such Shareholder on the Initial Closing Date. Notwithstanding the foregoing sentence, in no event shall this Section 10.04(e) limit a Purchaser Indemnified Party's ability to recover for Damages under the Escrow Agreement.

Section 10.05. Claims Related to Voting Agreements and Option Agreements. Notwithstanding any provision in this Agreement to the contrary, if the Company has fulfilled all of its agreements, covenants and obligations hereunder (including, without limitation, the Company has exercised reasonable efforts to achieve the adoption and approval by the requisite vote of the Company's shareholders of the Agreement of Merger and the Merger), the Company shall not be held liable to Purchaser for a breach by any Shareholder of such Shareholder's obligations under the Voting Agreement (including the proxy set forth therein) or Option Agreement entered into by such Shareholder.

Section 10.06. Claims Against the Company. Notwithstanding any provision in this Agreement to the contrary, the Shareholders agree that they shall not be entitled to any indemnification from, or to make or receive any amount for any claim against, the Company in respect of any Damage or Damages arising out of or resulting from this Agreement or the transactions contemplated by this Agreement.

Section 10.07. Insurance. The amount due as indemnification with respect to any claim under this Article X shall take into account and shall be reduced by the amount of any insurance or indemnification proceeds actually paid by any third party in respect of the subject matter of such claim (after deducting all attorneys' fees, expenses and other costs of recovery); provided that the amounts of any increase in insurance premium or retroactive premiums or premium adjustments resulting from the making of a claim or claims against insurers shall, for this purpose, be deemed to be deducted from the amount so paid by such insurers.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Expenses. Except as otherwise expressly provided herein, each of the parties hereto shall bear the expenses incurred by that party incident to this Agreement and the transactions contemplated hereby, including, without limitation, all fees and disbursements of counsel and accountants retained by such party, whether or not the transactions shall be consummated; provided, however, that if the transactions contemplated by the Subsequent Closing are completed, the Company agrees to assume the reasonable fees and expenses of a single law firm retained by the Company and the Shareholders in connection with the transactions contemplated by the Subsequent Closing up to an aggregate amount of $50,000.

Section 11.02. Survival of Representations and Warranties. The representations and warranties in this Agreement and in any certificate delivered pursuant hereto shall survive the

Initial Closing and if there is no Subsequent Closing shall terminate on the Termination Date. In the event there is a Subsequent Closing, the representations and warranties in this Agreement and in any certificate delivered pursuant hereto in connection with the Subsequent Closing shall survive the Subsequent Closing and shall terminate on the date that is eighteen months after the Subsequent Closing Date.

Section 11.03. Right of Co-Sale. (a) In the event that the Call Right, the Put Right and the Additional Call Right expire unexercised, and the Company has not exercised its option pursuant to Section 1.03(f)(i) to repurchase the Purchaser Preferred Shares, the holders of the Purchaser Preferred Shares shall have a right of co-sale to participate in any sale or series of related sales of capital stock of the Company in which a Shareholder participates that results in the sale of fifty percent (50%) or more of the voting power of the Company by the Company or any shareholders of the Company on the terms set forth in this Section. For purposes of this Section, the Company and/or any shareholders of the Company who so sell, are defined as the "Selling Shareholders," and the holders of the Purchaser Preferred Shares are defined as the "Non-Selling Shareholders."

(b) Notice of Proposed Transfer. A Shareholder that desires to participate in a sale or series of related sales set forth in Section 11.03(a) shall deliver to the Non-Selling Shareholders a written notice (the "Selling Shareholder Notice") stating: (i) the Selling Shareholder's bona fide intention to sell or otherwise transfer capital stock of the Company (the "Offered Shares"), (ii) the name of each proposed purchaser or other transferee (the "Proposed Transferee"), (iii) the number of Offered Shares to be transferred to each Proposed Transferee, and (iv) the cash or other bona fide consideration for which the Selling Shareholder proposes to transfer the Offered Shares (the "Offered Price").

(c) Exercise of Rights of Co-Sale. At any time within ten (10) business days after receipt of the Selling Shareholder Notice, each of the Non-Selling Shareholders shall notify the Selling Shareholder in writing if such Non-Selling Shareholders elect to participate in the proposed transfer of Offered Shares. Each participating Non-Selling Shareholder shall then have the right to sell to the Proposed Transferee at the same price and on the same terms as the Selling Shareholder, an amount of shares equal to the number of Offered Shares multiplied by a fraction, the numerator of which shall be the number of shares of common stock of the Company (assuming conversion of any securities convertible into common stock of the Company) held by such participating Non-Selling Shareholder and the denominator of which shall be the sum of the number of shares of common stock of the Company (assuming conversion of any securities convertible into common stock of the Company) proposed to be transferred by all the participating Selling Shareholders.

(d) Closing. The participating Non-Selling Shareholders shall enter into an agreement with the Proposed Transferee on terms and conditions identical, to the extent feasible, to the agreement entered into by the Selling Shareholders. To the extent that any Proposed Transferee refuses to enter into an agreement with any participating Non-Selling Shareholder, no Shareholder shall sell or transfer to such Proposed Transferee any shares of capital stock of the Company unless and until a Shareholder or Proposed Transferee purchases from such participating Non-Selling Shareholder the number of Purchaser Preferred Shares required to be

purchased under paragraph (c) of this Section on the same terms and conditions as specified in the Selling Shareholder Notice.

Section 11.04. Waiver of Claims. In the event of a Subsequent Closing, in consideration of benefits offered to each Shareholder pursuant to this Agreement, each Shareholder, on behalf of such Shareholder and also on behalf of any other person or persons claiming or deriving a right from him, her or it, hereby unconditionally and irrevocably releases and discharges the Company, and its corporate affiliates, successors and predecessors, and all of their current or former employees, agents, officers, and directors of and from any and all claims, causes of actions, suits, charges, debts, dues, sums of money, attorneys' fees and costs, accounts, bills, covenants, contracts, agreements, expenses, wages, compensation, benefits, promises, damages, judgments, rights, demands, or otherwise, known or unknown to such Shareholder on the Subsequent Closing Date, in law or equity, accrued or unaccrued, contingent or non-contingent, whenever arising from the beginning of time up until the Subsequent Closing Date, in equity or in law, that such Shareholder or anyone claiming by, through, or under him, her or it, in any way might have, or could have, against the Company.

Section 11.05. Restrictions on Transfer; Right of First Refusal. (a) Prior to the Termination Date, neither the Purchaser Preferred Shares, the Call Right nor the Additional Call Right shall be assignable or transferable by Purchaser without the prior written consent of the Company. Subject to Section 11.05(b), the restrictions on assignability and transfer set forth in this Section shall terminate after the Termination Date.

(b) After the Termination Date, before Purchaser may effect any sale, assignment, transfer or conveyance of Purchaser Preferred Shares (other than to a wholly-owned subsidiary of Purchaser) (such shares, the "Purchaser Offered Shares"), Purchaser must give to the Company a written notice (the "Purchaser's Notice") stating (a) Purchaser's bona fide intention to sell, assign, transfer or convey such Purchaser Offered Shares and the name and address of the proposed transferee; (b) the number of shares of such Purchaser Offered Shares; and (c) the bona fide cash price or, in reasonable detail, other consideration, per share for which Purchaser proposes to sell, assign, transfer or convey such Purchaser Offered Shares (the "Purchaser Offered Price").

(c) After the Termination Date, the Company shall have the right of first refusal (the "Right of First Refusal") to purchase all of the Purchaser Offered Shares that Purchaser proposes to sell, assign, transfer or convey, if the Company gives written notice of the exercise of such right to purchase within ten (10) business days after the date of its receipt of the Purchaser's Notice (the "Company's Refusal Period").

(d) The purchase price for the Purchaser Offered Shares to be purchased by the Company exercising the Right of First Refusal under this Agreement will be the Purchaser Offered Price multiplied by the number of Purchaser Offered Shares, and will be payable as set forth in Section 11.05(e) hereof. If the Purchaser Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Board of Directors of the Company in good faith, which determination will be binding upon the Company and Purchaser, absent fraud or manifest error.

(e) Payment of the purchase price for the Purchaser Offered Shares purchased by the Company exercising its Right of First Refusal will be made within ten (10) days after the end of the Company's Refusal Period. Payment of the purchase price for the Purchaser Offered Shares will be made in cash or other consideration offered by the proposed purchaser.

Section 11.06. Brokerage. Each party hereto will indemnify and hold harmless the others against and in respect of any claim for brokerage or other commissions relative to this Agreement or to the transactions contemplated hereby, based in any way on agreements, arrangements or understandings made or claimed to have been made by such party with any third party. As provided in Sections 1.02(b)(ii)(A) and 1.03(h)(ii) hereof, the fees or expenses of SEG incurred by the Company and the shareholders of the Company collectively in connection with the Initial Closing shall be paid out of the Initial Closing Amount and, in connection with the Subsequent Closing, if any, shall be paid out of the cash portion of the Remaining Shares Purchase Amount or the Additional Call Right Purchase Amount, as applicable.

Section 11.07. Parties in Interest. All representations, covenants and agreements contained in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. Without limiting the generality of the foregoing, all representations, covenants and agreements benefiting Purchaser shall inure to the benefit of any and all subsequent holders from time to time of Purchaser Preferred Shares or Conversion Shares.

Section 11.08. Notices. All notices, requests, consents and other communications hereunder shall be in writing and shall be delivered in person, by overnight courier, by certified or registered mail, postage prepaid, or by telecopier or telex (and shall be deemed given when, delivered if delivered by hand, one business day after deposited with an overnight courier service, three days after mailing if mailed, and when transmission copy is received if telecopied), addressed as follows:

(a) if to the Company, at 1600 Riviera Avenue, Walnut Creek, CA 94596, Attention: President, with a copy to Courtney M. Lynch, Esq., Pillsbury Winthrop, LLP, 50 Fremont Street, San Francisco, CA 94105;

(b) if to Purchaser, at 685 Stockton Drive, Exton, PA 19341, Attention: General Counsel, with a copy to Carmen J. Romano, Esq., Dechert, 4000 Bell Atlantic Tower, 1717 Arch Street, Philadelphia, PA 19103; and

(c) if to any Shareholder, at the address of such Shareholder set forth in Schedule I hereto;

or, in any such case, at such other address or addresses as shall have been furnished in writing by such party to the others.

Section 11.09. Termination. Notwithstanding anything contained herein to the contrary, the Purchase Option may be terminated and the transactions contemplated by the Purchase Option may be abandoned by either of Purchaser or the Company in the event the Subsequent Closing does not occur within ninety (90) days after the closing of the Purchaser IPO; provided, however, that in the event there is any proceeding by an administrative agency, commission or

other governmental entity seeking or imposing a temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition preventing the Subsequent Closing, such ninety (90) day period shall be extended to the date that is one hundred eighty (180) days after the closing of the Purchaser IPO. Notwithstanding anything contained herein to the contrary, the Purchase Option may be terminated and the transactions contemplated by the Purchase Option may be abandoned by either of Purchaser or the Company in the event the Subsequent Closing does not occur within ninety (90) days after date of the Additional Call Right Notice; provided, however, that in the event there is any proceeding by an administrative agency, commission or other governmental entity seeking or imposing a temporary restraining order, preliminary or permanent injunction or other legal restraint or prohibition preventing the Subsequent Closing, such ninety (90) day period shall be extended to the date that is one hundred eighty (180) days after the date of the Additional Call Right Notice.

Section 11.10. Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. Each party hereto, for itself and its successors and assigns, irrevocably agrees that any suit, action or proceeding arising out of or relating to this Agreement may be instituted in either (a) the United States District Court for the Eastern District of Pennsylvania, United States of America or in the absence of jurisdiction, the Court of Common Pleas located in Philadelphia, Pennsylvania, or (b) the United States District Court for the Northern District of California, or in the absence of jurisdiction, in any court of general jurisdiction in the County of San Francisco, and generally and unconditionally accepts and irrevocably submits to the non-exclusive jurisdiction of the aforesaid courts and irrevocably agrees to be bound by any final judgment rendered thereby from which no appeal has been taken or is available in connection with this Agreement. Each party, for itself and its successors and assigns, irrevocably waives any objection it may have now or hereafter to the laying of the venue of any such suit, action or proceeding, including, without limitation, any objection based on the grounds of forum non conveniens, in the aforesaid courts. Each of the parties, for itself and its successors and assigns, irrevocably agrees that all process in any such proceedings in any such court may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 11.08 hereof or at such other address of which the other parties shall have been notified in accordance with the provisions of Section 11.08 hereof, such service being hereby acknowledged by the parties to be effective and binding service in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law.

Section 11.11. Entire Agreement. This Agreement, including the Schedules and Exhibits hereto, constitutes the sole and entire agreement of the parties with respect to the subject matter hereof. All Schedules and Exhibits hereto are hereby incorporated herein by reference.

Section 11.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 11.13. Amendments; Waiver. This Agreement may not be amended or modified, without the written consent of the Company, Purchaser and Shareholders holding at least a majority of the aggregate capital stock of the Company held by the Shareholders on the date hereof, except that any of the terms or provisions of this Agreement may be waived in writing at

any time by the party that is entitled to the benefit of such waived terms or provisions and that no amendment that materially increases a Shareholder's obligation hereunder shall be binding with respect to such Shareholder if such Shareholder does not consent to such amendment. No single waiver of any of the provisions of this Agreement shall be deemed to or shall constitute, absent an express statement otherwise, a continuous waiver of such provision or a waiver of any other provision hereof (whether or not similar). No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 11.14. Severability. If any provision of this Agreement shall be declared void or unenforceable by any judicial or administrative authority, the validity of any other provision and of the entire Agreement shall not be affected thereby.

Section 11.15. Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement.

Section 11.16. Certain Defined Terms.

(a) As used in this Agreement, the following term shall have the following meaning (such meaning to be equally applicable to both the singular and plural forms of the term defined):

"Assets and Properties" of any person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible, whether absolute, accrued, contingent, fixed or otherwise and wherever situated), including the goodwill related thereto, that are operated, owned or leased by such person, including without limitation cash, cash equivalents, accounts and notes receivable, chattel paper, documents, instruments, general intangibles, real estate, equipment, inventory, good and Intellectual Property.

"Business or Condition" means, with respect to any person, the business, operations, condition (financial or otherwise), results of operations, Assets and Properties and prospects of such person.

"Fully Diluted Shares" means all issued and outstanding shares of Company Common Stock and all shares of Company Common Stock issuable upon exercise, conversion or exchange of all outstanding options, warrants, rights, convertible or exchangeable securities (including the Series A Preferred Stock, and any other Preferred Stock) and similar rights to subscribe for or to purchase such shares.

"Intellectual Property" means and includes all rights, title and interests in the following items: (a) domestic and foreign patents (including, without limitation, certificates of invention, utility models and other patent equivalents), and all provisional applications, patent applications, and patents issuing therefrom, as

well as any division, continuation, continuation in part, reissue, extension, re-examination certification, revival or renewal of any patent, all inventions and subject matter relating to such patents, in any and all forms, and all patents and applications for patents relating to such patents, (b) domestic and foreign trademarks, trade dress, service marks, trade names, domain names, icons, logos, and slogans and any other indicia of source or sponsorship of goods and services, designs and logotypes related thereto, and all trademark registrations and applications for registration related to such trademarks (including, but not limited to intent to use applications), (c) copyrightable works and copyright interests in any of the Company's or Purchaser's, as the case may be, assets, including, without limitation, all common-law rights, all registered copyrights and all rights to register and obtain renewals and extensions of copyright registration, together with all copyright interests accruing by reason of international copyright conventions, (d) Inventions, (e) Software and other works of authorship, (f) trade secrets, (g) know-how, (h) all rights necessary to prevent claims of invasion of privacy, rights of publicity, defamation, or any other causes of action arising out of the use, adaptation, modification, reproduction, distribution, sales or display of the Software, (i) all income, royalties, damages and payments accrued after the Initial Closing with respect to the Software and all other rights thereunder, (j) all processes, designs, formulas, semiconductor mask works, industrial models, engineering and technical drawings, prototypes, improvements, discoveries, technology, data and other intellectual or intangible property and/or proprietary rights or interests of the Company or Purchaser, as the case may be, (and all goodwill associated therewith), (k) all rights to use all of the foregoing forever or for the applicable term of each right, and (1) all rights to sue for past, present or future infringement, misappropriation or other violations or impairments of any of the foregoing enumerated in subclauses (a) through (k) above, and to collect and retain all damages and profits therefor.

"Inventions" means all novel devices, processes, compositions of matter, methods, techniques, observations, discoveries, apparatuses, designs, expressions, theories and ideas (including improvements and modifications thereof through the date hereof) relating to the assets of the Company or Purchaser, as the case may be, whether or not patentable.

"Material" means (except when used with respect to Purchaser) material to the business or financial condition of the Company.

"Material Adverse Effect" means any change, effect, event, matter, condition, occurrence, development or circumstance that (a) has or would reasonably be expected to have a material adverse effect on the Business or Condition of Purchaser or the Company, as the case may be, such that Purchaser's or the Company's fair market value, as the case may be, is materially reduced as a consequence thereof; provided, however, the term "Material Adverse Effect" shall not include those adverse effects occurring primarily as a result of general national economic or financial conditions and other developments that are not

unique to Purchaser or the Company, as the case may be, but also affect to a similar degree other persons who participate or are engaged in the line of business in which Purchaser or the Company, as the case may be, participates or is engaged; (b) renders Purchaser or the Company, as the case may be, unable to perform its respective material obligations under this Agreement, the Agreement of Merger or any other agreement, instrument or document provided to Purchaser or the Company, as the case may be, hereunder in furtherance of this transaction or (c) has a material adverse effect on the legality, validity, binding effect or enforceability of this Agreement, the Agreement of Merger or any other agreement, instrument or document provided to Purchaser or the Company, as the case may be, hereunder in furtherance of this transaction.

"Operating Income" of a party means, on a consolidated basis, gross revenues less cost of revenues and less operating expenses from continuing operations for such party and less minority interests. Operating expenses from continuing operations includes research, product development, sales and marketing, general and administrative expenses as determined in accordance with generally accepted accounting principles. Operating expenses from continuing operations excludes taxes, interest income and expense, realized and unrealized foreign exchange gains and losses, and extraordinary items, including, but not limited to, gains and losses associated with asset sales not in the ordinary course of business, legal settlements, changes in accounting policy and transaction costs associated with effecting acquisitions, joint ventures, share repurchases and other corporate transactions, including the transactions contemplated herein. For purposes of the calculation of the Company's Operating Income, Operating Income will not include any operating income attributable to the portion of the Joint Ventures or Subsidiaries not owned by the Company.

"Operating Income Margin" of a party means Operating Income for such party over a particular time period divided by Revenues for such party over the same time period.

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

"Revenues" of a party means, on a consolidated basis, the gross revenues of such party, excluding pro forma consolidated revenues of the other party to this Agreement, for a period of time, as reported in the prospectus for the Purchaser IPO or, if there is not a prospectus for the Purchaser IPO at that time or if the gross revenues of such party are not reported in such prospectus, as reported in the financial statements of such party prepared in accordance with generally accepted accounting principles minus (i) third party costs attributed to any services and training revenues where such party does not retain greater than a 30% gross margin on the outsourced work, (ii) third party royalties and similar

product costs attributed to product license and product lease revenues where such royalties or product costs are greater than 25% of the net price, (iii) payments or amounts owed by the Company to Purchaser pursuant to the Bundling Agreement to be entered into by the Company and Purchaser, (iv) revenues associated with products sold to resellers for resale during such period that have not been resold during such period, and (v) all commissions paid or owed by such party to third parties, or to affiliated companies not at least 51% owned by such party, for product licenses and product leases which have been included in gross revenues, and eighty percent (80%) of all commissions paid or owed by such party to third parties, or to affiliated companies not at least 51% owned by such party, for maintenance. The calculation of a party's Revenues for any period of time will treat any acquisitions made by such party occurring after the beginning of such period on a pro forma basis as if such acquisitions had occurred at the beginning of such period. For purposes of the calculation of the Company's Revenues, (a) gross revenues with respect to new product leases entered into during a period of time (which are incremental to leases in place at the beginning of such period, and taking into account only the product license, and not the maintenance, portion of each such product lease) will be annualized and multiplied times a factor equal to 1.5; provided, however, that in no event shall the provisions of this sentence duplicate any portion of the gross revenues of the Company already accrued in such period. In addition, for purposes of the calculation of the Company's Revenues, gross revenues will not include any revenues attributable to the portion of the Joint Ventures or Subsidiaries not owned by the Company.

"Software" means the expression of an organized set of instructions in a natural or coded language, including without limitation, compilations and sequences, which is contained on a physical media of any nature (e.g., written, electronic, magnetic, optical or otherwise) and which may be used with a computer or other automated data processing equipment device of any nature which is based on digital technology, to make such computer or other device operate in a particular manner and for a certain purpose, as well as any related documentation for such set of instructions. The term shall include, without limitation, computer programs in source and object code, test or other significant data libraries, documentation for computer programs, modifications, enhancements, revisions or versions of or to any of the foregoing and prior releases of any of the foregoing applicable to any operating environment, and any of the following which is contained on a physical media of any nature and which is used in the design, development, modification, enhancement, testing, installation, use, maintenance, diagnosis or assurance of the performance of a computer program: narrative descriptions, notes, specifications, designs, flowcharts, parameter descriptions, logic flow diagrams, masks, input and output formats, file layouts, database formats, test programs, test or other data, user guides, manuals, installation and operating instructions, diagnostic and maintenance instructions, source code, object code and other similar materials and information.

"Tangible Net Worth" of a party means, on a consolidated basis, the assets of the party minus the liabilities of the party as such assets and liabilities are reported in the prospectus for the Purchaser IPO or, if there is not a prospectus for the Purchaser IPO at that time or if the assets and liabilities of such party as of the date for which Tangible Net Worth is to be calculated are not reported in such prospectus, as reported in the financial statements of such party prepared in accordance with generally accepted accounting principles. The assets of a party include all assets reflected in the prospectus for the Purchaser IPO or the financial statements of such party, as applicable in accordance with the preceding sentence, including without limitation, cash and cash equivalents, accounts receivable, income tax receivable, deferred income tax, prepaid and other current assets, property, plant and equipment, net, and investments in affiliated companies, but excluding intangible assets. The liabilities of a party include all liabilities reflected in the prospectus for the Purchaser IPO or the financial statements of such party, as applicable in accordance with the first sentence of this paragraph, including without limitation, current liabilities, long-term debt, deferred income tax and deferred compensation, but excluding deferred revenues. For purposes of the calculation of the Company's Tangible Net Worth, Tangible Net Worth will not include any tangible net worth attributable to the portion of the Joint Ventures or Subsidiaries not owned by the Company.

(b) Attached as Schedule 11.16(b) hereto are calculations of the Company's and Purchaser's Operating Income, Revenues and Tangible Net Worth for the periods set forth in such calculations. Schedule 11.16(b) shows the method of computation based on the applicable definitions set forth in Section 11.16, but is not intended to confirm any agreement on the actual numbers in the computations, which have been provided by each party without verification by the other party.

Section 11.17. Public Announcement. The parties to this Agreement agree to publicly announce the transactions contemplated hereby by means of a press release in the form attached hereto as Exhibit L.

Section 11.18. Time is of the Essence. Time is of the essence in the performance of this Agreement.

[Signature pages follow immediately.]

IN WITNESS WHEREOF, Purchaser, the Company and the Shareholders have executed this Agreement as of the day and year first above written.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Name: David Nation
Title: Senior Vice President

REBIS

By: /s/ Jeffrey P. Hollings

Name: Jeffrey P. Hollings
Title: President & CEO

SHAREHOLDERS:

/s/ Jeffrey P. Hollings

Jeffrey P. Hollings, Individually and
as Trustee of the Hollings Trust
Dated October 9, 1995

/s/ Holly V. Hollings

Holly V. Hollings, Individually and
as Trustee of the Hollings Trust
Dated October 9, 1995

/s/ Dennis G. Row

Dennis G. Row, Individually and
as Trustee of the Row Family Trust under
declaration of the trust
dated November 30, 1999

/s/ Joan Row

Joan Row, Individually and as Trustee of the Row Family Trust under declaration of the trust dated November 30, 1999

/s/ Graham H. Powell

Graham H. Powell, Individually and as Trustee of the 1998 Powell Family Trust U.D.T. dated August 24, 1998 as separate property of Graham H. Powell

/s/ Renzo Spanhoff

Renzo Spanhoff

/s/ William C. DiGiovanni

William C. DiGiovanni

SPOUSAL CONSENT

I acknowledge that I have read the foregoing Purchase and Option Agreement ("Agreement") and that I know its contents. I am aware that, by its provisions, my spouse agrees to restrict the shares of capital stock of Rebis, a California corporation (the "Company"), held by him, including my community interest in them (the "Shares"), for a period of time. Furthermore, I acknowledge that I have had the opportunity to ask such questions of representatives of the Company, and to receive such answers and financial and other information concerning the Company and the Agreement, as I have requested or deem necessary for me to understand and evaluate the Agreement. I hereby consent to the restrictions on the Shares, approve of the provisions of the Agreement, and agree that I will not bequeath the Shares or any of them, or any interest in them by my will if I predecease my spouse. I direct that a residuary clause in my will shall not be deemed to apply to my community interest in the Shares.

Dated: January 17, 2002.

By: /s/ Lynette L. Powell
_____

Name: Lynette L. Powell
_____

140 Birchbank Place
Danville, CA 94506

SPOUSAL CONSENT

I acknowledge that I have read the foregoing Purchase and Option Agreement ("Agreement") and that I know its contents. I am aware that, by its provisions, my spouse agrees to restrict the shares of capital stock of Rebis, a California corporation (the "Company"), held by him, including my community interest in them (the "Shares"), for a period of time. Furthermore, I acknowledge that I have had the opportunity to ask such questions of representatives of the Company, and to receive such answers and financial and other information concerning the Company and the Agreement, as I have requested or deem necessary for me to understand and evaluate the Agreement. I hereby consent to the restrictions on the Shares, approve of the provisions of the Agreement, and agree that I will not bequeath the Shares or any of them, or any interest in them by my will if I predecease my spouse. I direct that a residuary clause in my will shall not be deemed to apply to my community interest in the Shares.

Dated: January 17, 2002.

By: /s/ Reva R. DiGiovanni

Name: Reva R. DiGiovanni

SPOUSAL CONSENT

I acknowledge that I have read the foregoing Purchase and Option Agreement ("Agreement") and that I know its contents. I am aware that, by its provisions, my spouse agrees to restrict the shares of capital stock of Rebis, a California corporation (the "Company"), held by him, including my community interest in them (the "Shares"), for a period of time. Furthermore, I acknowledge that I have had the opportunity to ask such questions of representatives of the Company, and to receive such answers and financial and other information concerning the Company and the Agreement, as I have requested or deem necessary for me to understand and evaluate the Agreement. I hereby consent to the restrictions on the Shares, approve of the provisions of the Agreement, and agree that I will not bequeath the Shares or any of them, or any interest in them by my will if I predecease my spouse. I direct that a residuary clause in my will shall not be deemed to apply to my community interest in the Shares.

Dated: January 17, 2002.

By: /s/ Elisabeth Spanhoff

Name: Elisabeth Spanhoff

515 Delgado Dr.
Baton Rouge, LA 70808

EXHIBIT D

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (the "Agreement") is made as of _____ 200_, by and between Bentley Systems, Incorporated, a Delaware corporation (the "Company"), and the shareholders of Rebis, a California corporation ("Rebis"), listed on the signature page of the Agreement (each a "Shareholder" and, collectively, the "Shareholders").

RECITALS

a. The Company entered into an Amended and Restated Information and Registration Rights Agreement (as it may be amended from time to time, the "Existing Registration Rights Agreement"), dated December 26, 2000, by and between the Company, Bachow Investment Partners III, L.P., a Delaware limited partnership or any other entity as to which any affiliate of Bachow & Associates, Inc. is the general partner ("Bachow"), the financial institutions party to the Revolving Credit Agreement (as defined in the Existing Registration Rights Agreement) (the "Lenders"), PNC Bank, National Association as agent for the Lenders (the "Agent"), and the persons listed as "Senior Common Stock Purchasers" in the Existing Registration Rights Agreement, as updated from time to time.

b. The Company, Rebis and certain shareholders of Rebis entered into a Purchase and Option Agreement, dated as of January ___, 2002 (as it may hereafter be amended, the "Purchase Agreement"), under which Rebis (i) issued and sold to the Company 501,932 shares (the "Bentley Preferred Shares") of Rebis's Series A Convertible Preferred Stack, no par value per share, and (ii) the Company and Rebis each acquired an option (the "Purchase Option") to cause the other to enter into an agreement of merger (the "Agreement of Merger") finder which the Company, through a to-be-formed California corporation that will be a wholly-owned subsidiary of the Company, would acquire all of the capital stock of Rebis that the Company does not own after its purchase of the Bentley Preferred Shares in exchange for a combination of cash and shares of the Common Stock (as defined below), the effect of which will be that the Company would own one hundred percent (100%) of the issued and outstanding capital stock of Rebis.

c. Pursuant to the Agreement of Merger, the consideration for the exercise of the Purchase Option shall be paid to the shareholders of Rebis in a combination of cash and unregistered shares of Common Stock (the "Purchaser Shares").

d. It is a condition precedent to the Agreement of Merger that the parties hereto enter into this Agreement;

NOW, THEREFORE, in consideration of the above and of the mutual promises set forth herein, the Company and the Shareholders, intending to be legally bound, hereby agree as follows:

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

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

(b) "Common Stock" shall mean the shares of any current or future class or series of the Company's common stock.

(c) "Holder" shall mean any Shareholder (including Permitted Transferees (as defined in Section 7 hereof)) owning outstanding Registrable Securities which have not been sold to the public.

(d) The terms "Register," "Registered" and "Registration" refer to a registration effected by preparing and filing with the Commission a registration statement in compliance with the Securities Act ("Registration Statement"), and the declaration or ordering of the effectiveness of such Registration Statement by the Commission or pursuant to Section 8 of the Securities Act.

(e) "Registrable Securities" shall mean (i) all shares of Common Stock or securities of the Company convertible into or exchangeable for Common Stock, and (ii) any shares of Common Stock or other securities issued in connection with any stock split, reverse stock split, stock dividend, recapitalization, reclassification, reorganization, exchange or similar event related to the foregoing; provided, however, the Registrable Securities shall not include any shares of Common Stock (A) which are then already registered, or (B) which have been sold to the public either pursuant to a registration under the Securities Act or Rule 144, promulgated by the Commission under the Securities Act, or (C) which have been sold or otherwise transferred in a transaction pursuant to which the transferor's rights under this Agreement cannot be transferred.

(f) "Registration Expenses" shall mean all expenses incurred by the Company in complying with Section 2 of this Agreement, including, without limitation, all federal and state registration, qualification and filing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, and accounting fees and expenses, but excluding Selling Expenses, fees and disbursements of counsel for the Holders (if counsel is different from counsel for the Company).

(g) "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.

(h) "Selling Expenses" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities pursuant to this Agreement, and fees and disbursements of counsel for any Holder (other than the fees and disbursements of counsel included in Registration Expenses).

3. Piggyback Registration.

3.1 Notice of Piggyback Registration and Inclusion of Registrable Securities. Subject to the terms of this Agreement, in the event the Company decides to Register for sale to the public generally, at any time subsequent to the Company's initial public offering of securities pursuant to a Registration (the "IPO"), any of its Common Stock either for its own account or the account of a security holder or holders of the Company exercising their respective demand Registration rights on a form that would be suitable for a Registration involving solely Registrable Securities, other than a registration relating solely to employee benefit plans, or a registration relating to a corporate reorganization or other transaction on Form S-4, or a registration on any registration form that does not permit secondary sales, the Company will: (a) promptly give each Holder written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable Blue Sky or other state securities laws) and (b) use its best efforts to include in such Registration (and any related qualification under Blue Sky laws or other compliance), except as set forth in Section 2.2.3 below, and in any underwriting involved therein, all the Registrable Securities specified in a written request delivered to the Company by any Holder within ten (10) days after delivery of such written notice from the Company.

3.2 Underwriting in Piggyback Registration.

3.2.1 Notice of Underwriting in Piggyback Registration. If the Registration of which the Company gives notice pursuant to Section 2.1 is for a Registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 2.1. In such event the right of any Holder to Registration shall be conditioned upon such underwriting and the inclusion of such Holder's Registrable Securities in such underwriting to the extent provided in this Section 2. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders of securities of the Company with registration rights to participate therein) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company (the "Underwriter's Representative"). The Holders shall have no right to participate in the selection of the underwriters for an offering pursuant to this Section 2.

3.2.2 Marketing Limitation in Piggyback Registration. In the event the Underwriter's Representative advises the Holders seeking Registration of Registrable Securities pursuant to Section 2 in writing that market factors require a limitation of the number of shares to be underwritten, the Underwriter's Representative (subject to the allocation priority set forth in Section 2.2.3) may limit the number of, or eliminate, the shares of Holders' Registrable Securities to be included in such Registration and underwriting.

3.2.3 Allocation of Shares in Piggyback Registration. In the event that the Underwriter's Representative limits the number of shares to be included in a Registration pursuant to Section 2.2.2, the number of shares to be included in such Registration shall be allocated so that the Registrable Securities held by Holders shall be excluded from such Registration and underwriting to the extent required by such limitation. If a limitation of the number of shares is still required after such exclusions, the number of shares that may be

included in the Registration and underwriting by selling shareholders shall be allocated pursuant to the terms of the Existing Registration Rights Agreement or any other applicable registration rights agreement. No Registrable Securities or other securities excluded from the underwriting by reason of this Section 2.2.3 shall be included in the Registration Statement. Notwithstanding anything to the contrary herein, in no event shall the number of shares Registrable under the Existing Registration Rights Agreement be limited by the provisions of this Section 2 or any other provisions of this Agreement.

3.2.4 Withdrawal in Piggyback Registration. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the Underwriter's Representative. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such Registration.

3.3 Blue Sky in Piggyback Registration. In the event of any Registration of Registrable Securities of a Holder pursuant to Section 2, the Company will exercise its best efforts to Register and qualify the securities covered by the Registration Statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably appropriate for the distribution of such securities; provided, however, that (i) the Company shall not be required to qualify to do business or to file a general consent to service of process in any such sites or jurisdictions but for this Section 2.3, or subject itself to taxation in any such jurisdiction, and (ii) notwithstanding anything in this Agreement to the contrary, in the event any jurisdiction in which the securities shall be qualified imposes a non-waivable requirement that expenses incurred in connection with the qualification of the securities be borne by selling shareholders, such expenses shall be payable pro rata by selling shareholders.

4. Expenses of Registration. All Registration Expenses incurred in connection with any Registration pursuant to this Agreement shall be borne by the Company. All Selling Expenses incurred in connection with any Registration shall be borne by the Holders of the securities Registered pro rata on the basis of the number of shares Registered.

5. Registration Procedures. The Company will keep each Holder whose Registrable Securities are included in any Registration pursuant to this Agreement advised as to the initiation and completion of such Registration. At its expense, the Company will use its best efforts to:

(a) prepare and file with the Commission a Registration Statement with respect to such Registrable Securities and cause such Registration Statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities Registered thereunder, keep such Registration Statement effective for a period of up to 120 day; or until the Holder or Holders have completed the distribution described in the Registration Statement relating thereto, whichever first occurs;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection with such Registration Statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement;

(c) furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) obtain clearance for such Registration and sale of securities from the National Association of Securities Dealers; and

(e) promptly notify each Holder of Registrable Securities covered by such Registration Statement, or the Holder's designated attorney-in-fact, whenever a prospectus relating thereto covered by such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

6. Information Furnished by Holder. It shall be a condition precedent of the Company's obligations under this Agreement that each Holder of Registrable Securities included in any Registration furnish to the Company such information regarding such Holder and the distribution proposed by such Holder or Holders as the Company may reasonably request.

7. Indemnification.

7.1 Company's Indemnification of Holders. To the extent permitted by law, the Company will indemnify each Holder, each of its officers, directors and partners, legal counsel for the Holders, and each person controlling such Holder, with respect to which Registration, qualification or compliance of Registrable Securities has been effected pursuant to this Agreement against all claims, losses, damages, liabilities or expenses (or actions in respect thereof) to the extent such claims, losses, damages, liabilities or expenses arise out of or are based upon any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus or other document (including any related Registration Statement) incident to any such Registration, qualification or compliance, or are based on any 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 any violation (or alleged violation) by the Company of any rule or regulation promulgated under the Securities Act applicable to the Company and relating to action or inaction required of the Company in connection with any such Registration, qualification or compliance; and the Company will reimburse each such Holder and each person who controls any such Holder for any legal and any other expenses reasonably incurred in connect, on with investigating or defending any such claim, loss, damage, liability, expense or action; provided, however, that the indemnity contained in this Section 6.1 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if settlement is effected without the consent of the Company (which consent shall not unreasonably be withheld); and provided, further, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based upon any untrue statement or omission based upon written information furnished to the Company by such Holder and stated to be for use in preparation of such prospectus (including any related Registration Statement).

7.2 Holder's Indemnification of Company. To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such Registration, qualification or compliance is being effected pursuant to this Agreement, indemnify the Company, each of its directors and officers, each legal counsel and independent accountant of the Company, each underwriter, if any, of the Company's securities covered by such a Registration Statement, each person who controls the Company of such underwriter within the meaning of the Securities Act, and each other such Holder, each of its officers, directors and partners and each person controlling such other Holder, against all claims, losses, damages, liabilities or expenses (or actions in respect thereof) arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, prospectus, offering circular or other document, or any 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 any violation (or alleged violation) by such Holder of any rule or regulation promulgated under the Securities Act applicable to such Holder and relating to action or inaction required of such Holder in connection with any such Registration, qualification or compliance; and will reimburse the Company, such Holders, such directors, officers, partners, persons, law and accounting firms, underwriters or control persons for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, expense or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be for use in connection with the offering of securities of the Company, provided, however, that the indemnity contained in this Section 6.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld); and provided further that each Holder's liability under this Section 6.2 shall not exceed such Holder's proceeds net of sales commissions and expenses from the offering of securities made in connection with such Registration.

7.3 Indemnification Procedure. Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof and generally summarize such action. The indemnifying party shall have the right to participate in and to assume the defense of such claim; provided, however, that the indemnifying party shall be entitled to select counsel for the defense of such claim with the approval of any parties entitled to indemnification which approval shall not be unreasonably withheld; provided further, however, that if either party reasonably determines that there may be a conflict between the position of the Company and the Holders in conducting the defense of such action, suit or proceeding by reason of recognized claims for indemnity under this Section 6, then counsel for such party shall be entitled to conduct the defense to the extent reasonably determined by such counsel to be necessary to protect the interest of such party. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to the ability of the indemnifying party to defend such action, shall relieve such indemnifying party, to the extent so prejudiced. of any liability to the indemnified party under this Section 6, but the omission so to notify the

indemnifying party will not relieve such party of any liability that such party may have to any indemnified party otherwise other than under this Section 6.

7.4 Contribution. If the indemnification provided for in this Section 6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

7.5 Survival. The obligations of the Company and Holders under this Section 6 shall survive the completion of any offering of Registrable Securities of Holders in a registration statement under this Agreement, and otherwise.

7.6 Underwriting Agreement. Notwithstanding this Section 6, to the extent that the provisions regarding indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

8. Transfer of Rights. Subject to the provisions hereunder, so long as the Company is given written notice by a Holder (or a transferee thereof, as the case may be) at the time of such transfer stating the name and address of the transferee and identifying the securities with respect to which the rights under this Agreement are being assigned, the Registration rights under this Agreement may be transferred in whole or in part; provided, however, that, as a condition to such assignment, (a) such transferee shall be required to execute simultaneously therewith a joinder to this Agreement in form and substance reasonably acceptable to the Company whereby such transferee agrees to be bound by all the terms and provisions of this Agreement as a Holder hereunder; (b) no less than 100,000 shares of Registrable Securities shall be assigned or transferred by a Holder to such transferee; and (c) the transfer of the shares of Registrable Securities from Holder shall not be to a transferee not otherwise prohibited under any other agreement between Holder and the Company (a "Permitted Transferee").

9. Market Stand-Off. Each Shareholder hereby agrees that, if so requested by Purchaser and the underwriters of the IPO, such Shareholder shall enter into a "lock-up" agreement in a form that is reasonably satisfactory to the underwriters of the IPO that states that such Shareholder shall not sell or otherwise transfer any Common Stock during the 180-day period following the closing of the IPO.

The obligations described in this Section 8 shall not apply to a Registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in

the future, or a Registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares (or securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period.

10. Termination of Registration Rights. The right of any Holder to request registration or inclusion in any Registration pursuant to this Agreement shall terminate upon the earlier to occur of the following: (a) all shares of Registrable Securities held or entitled to be held upon conversion by such Holder may immediately be sold under Rule 144 under the Securities Act during any ninety (90) day period, or (b) the expiration of three (3) years after the closing of the first registered public offering of Common Stock.

11. Subordination. Notwithstanding anything to the contrary herein, the Registration rights granted under this Agreement are subordinate to any and all Registration rights which the Company has granted to holders of the Company's equity securities prior to the date hereof, particularly pursuant to the Existing Registration Rights Agreement.

12. Miscellaneous.

12.1 Entire Agreement; Successors and Assigns. This Agreement constitutes the entire contract between the Company and the Holders relative to the subject matter hereof. Subject to the exceptions specifically set forth in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective executors, administrators, heirs, successors and assigns of the parties.

12.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts entered into and wholly to be performed within the State of Delaware.

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

12.4 Headings. The headings of the Sections of this Agreement are for convenience and shall not by themselves determine the interpretation of this Agreement.

12.5 Notices. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery, or one day after sent via reputable national overnight courier addressed (a) if to the Company, as set forth below the Company's name on the signature page of this Agreement, and (b) if to a Holder, at such Holder's address as set forth on the signature pages hereto, or at such other address as the Company or such Holder may designate by ten (10) days advance written notice to the Holders or the Company, respectively.

12.6 Amendment of Agreement. Any provision of this Agreement may be amended or waived only by a written instrument signed by the Company and with the consent of any Holder or Holders who in the aggregate hold at least fifty percent (50%) of the Purchaser Shares issued

at the Merger; provided, however, that no amendment to this Agreement shall become effective without the consent of any party hereto whose rights hereunder are adversely affected by such amendment. Notwithstanding the foregoing, each of the parties hereto acknowledge and agrees that additional parties to this Agreement may be added by a written joinder of a Permitted Transferee of any party hereto without any such consents or approvals.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED,
a Delaware corporation

By: _____
Name:
Title:

Address: 690 Pennsylvania Drive
Exton, PA 19341-1136
Attention: General Counsel
With a copy to: Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esq.

SHAREHOLDERS:

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

BENTLEY SYSTEMS, INCORPORATED

THE UNDERSIGNED, for the purpose of forming a corporation pursuant to the provisions of the General Corporation Law of the State of Delaware, does hereby certify as follows:

FIRST: The name of the Corporation is Bentley Systems, Incorporated.

SECOND: The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

THIRD: The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of capital stock which the Corporation shall have authority to issue is Ninety-Two Million One Hundred Eighty-Two Thousand Four Hundred Fifty (92,182,450) shares, consisting of Sixty Million (60,000,000) shares of Class A Voting Common Stock, par value $.01 per share (the "Class A Common Stock"), Thirty Million (30,000,000) shares of Class B Non-Voting Common Stock, par value $.01 per share (the "Class B Common Stock"), One Hundred Fifty Thousand (150,000) shares of Senior Class C Common Stock, par value $.01 per share (the "Class C Common Stock") and Four Hundred Eighty Thousand (480,000) shares of Class D Non-Voting Common Stock, par value $.01 per share (the "Class D Common Stock") (collectively, the "Common Stock") and One Million Five Hundred Fifty-Two Thousand Four Hundred Fifty (1,552,450) shares of Series A Convertible Preferred Stock, par value $.01 per share (the "Preferred Stock").

(A) Class A Common Stock, Class B Common Stock and Class D Common Stock.

1. Identical Rights and Privileges. Except as otherwise expressly provided in the Certificate of Incorporation or as required by law, all outstanding shares of Class A Common Stock, Class B Common Stock and Class D Common Stock shall be identical and shall entitle the holders thereof to the same rights and privileges.

2. Voting Rights. The holders of outstanding shares of Class A Common Stock shall have the right to vote on (or, as provided by law, take action by consent with respect to) all matters to be voted on or consented to by the stockholders of the Corporation, and each

holder shall be entitled to one vote for each share of Class A Common Stock held. Except as otherwise provided by law, the holders of outstanding shares of Class B Common Stock and Class D Common Stock shall not have any right to vote on, or consent with respect to, any matters to be voted on or consented to by the stockholders of the Corporation, and neither the shares of Class B Common Stock nor the shares of Class D Common Stock shall be included in determining the number of shares voting or entitled to vote on any such matters. Except as otherwise provided by law, on any matter on which (a) the holders of Class B Common Stock (but not the holders of Class D Common Stock) have the right to vote, the holders of Class A Common Stock and Class B Common Stock shall vote together as a single class, (b) the holders of Class D Common Stock (but not the holders of Class B Common Stock) have the right to vote, the holders of Class A Common Stock and Class D Common Stock shall vote together as a single class, and (c) the holders of Class B Common Stock and Class D Common Stock have the right to vote, the holders of Class A Common Stock, Class B Common Stock and Class D Common Stock shall vote together as a single class.

3. Conversion.

(a) Conversion of Common Stock Upon Determination of Board. Upon the determination of the Board of Directors of the Corporation at any time while the Class B Common Stock is outstanding, then, upon ten (10) days written notice of such determination given to each holder of shares of Class A Common Stock and Class B Common Stock, each outstanding share of Class B Common Stock shall be reclassified and converted automatically into one share of Class A Common Stock, without any further action by the Corporation or the stockholders thereof, and such shares of Class B Common Stock shall no longer be deemed to be outstanding, regardless of whether the certificate or certificates representing such shares are surrendered to the Corporation. After there are no longer shares of any class of Common Stock outstanding, other than Class A Common Stock, upon the effectiveness of the filing with the Secretary of State of the State of Delaware, pursuant to Section 151(g) of the Delaware General Corporation Law, as amended, of a certificate stating that no shares of such other classes of Common Stock will be issued, the Class A Common Stock shall be redesignated automatically as "Common Stock," without any further action by the Corporation or the stockholders thereof.

(b) Conversion of Common Stock Upon Public Offering. Upon the closing of the first underwritten public offering pursuant to an effective registration statement filed by the Corporation under the Securities Act of 1933, as amended (the "Securities Act"), covering the offer and sale to the public for the account of the Corporation of any Comparable Security (as defined below) (an "IPO"), where no conversion of the Class B Common Stock or Class D Common Stock, as the case may be, has previously occurred, then, without any further action by the Corporation or the stockholders thereof, each issued and outstanding share of Class B Common Stock and Class D Common Stock shall be reclassified and converted automatically into one share of the offered Comparable Security, and such shares of Class B Common Stock and Class D Common Stock shall no longer be deemed to be outstanding, regardless of whether the certificate or certificates representing such shares are surrendered to the Corporation. For the purposes herein, a "Comparable Security" shall mean any class or series of Common Stock of the Corporation (other than, with respect to holders of the Class B Common Stock or Class D Common Stock, shares of the same class as is held by them) which has the same preferences,

rights, qualifications, limitations and restrictions as the Class A Common Stock in all respects, except that the voting rights of such class or series of Common Stock may differ from the Class A Common Stock.

(c) Automatic Conversion of Class D Common Stock. Each share of Class D Common Stock (i) with respect to which holders of Class D Common Stock have not exercised their Class D Redemption Rights in accordance with Section (A)6(a) on or before the expiration of such Class D Redemption Rights, or (ii) which has been sold or transferred by a holder thereof as permitted under applicable law and all other agreements, documents and instruments governing the transfer thereof (except for transfers of Class D Common Stock upon the death of any holder thereof to his or her estate or heirs) shall automatically be converted into Class B Common Stock or, if applicable, into the securities into which the Class B Common Stock have been converted pursuant to Section (A)3(a). Section (A)3(b) or otherwise, on a one-for-one basis; provided, however, that any shares of Class D Common Stock that have not been redeemed by the holders thereof pursuant to Section (A)6(a)(i) shall be subject to the Corporation Class D Redemption Right (defined below) for the period and on the terms specified in Section (A)6(d)(i) prior to being converted into shares of Class B Common Stock.

(d) Mechanics of Conversion. Before any holder of the Class B Common Stock or the Class D Common Stock converts the same into shares of Class A Common Stock, Class B Common Stock or Comparable Securities, as the case may be, in accordance with the foregoing provisions of this Section (A)3, he, she or it shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Class B Common Stock or the Class D Common Stock, as the case may be, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Class A Common Stock, Class B Common Stock or Comparable Securities, as the case may be, are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class B Common Stock or Class D Common Stock, as the case may be, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Class A Common Stock, Class B Common Stock or Comparable Securities, as the case may be, to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of the Class B Common Stock or Class D Common Stock to be converted, and the person or persons entitled to receive the shares of Class A Common Stock, Class B Common Stock or Comparable Securities, as the case may be, issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares as of such date. If the conversion of Class D Common Stock is in connection with an IPO, the conversion may, at the option of any holder tendering Class D Common Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive Class B Common Stock upon conversion of such Class D Common Stock shall not be deemed to have converted such Class D Common Stock until immediately prior to the closing of such sale of securities.

(e) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation,

merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section (A)3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Class B Common Stock and the Class D Common Stock against impairment.

(f) No Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of the Class B Common Stock or the Class D Common Stock, and the number of shares of Class A Common Stock, Class B Common Stock or Comparable Securities, as the case may be, to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Class B Common Stock or Class D Common Stock, as the case may be, the holder is at the time converting into Class A Common Stock, Class B Common Stock or Comparable Securities, as the case may be, and the number of shares of such Class A Common Stock, Class B Common Stock or Comparable Securities issuable upon such aggregate conversion.

4. Notices. Any notice required by the provisions of this Section (A) to be given to the holders of shares of the Class A Common Stock, Class B Common Stock and Class D Common Stock shall be deemed given if deposited in the U.S. mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times use its best efforts to reserve and keep available out of its authorized but unissued shares of Class A Common Stock and Class B Common Stock, solely for the purpose of effecting the conversion of the shares of the Class B Common Stock or Class D Common Stock, as the case may be, such number of its shares of Class A Common Stock and Class B Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Class B Common Stock or the Class D Common Stock, as the case may be, and if at any time the number of authorized but unissued shares of Class A Common Stock and Class B Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Class B Common Stock and the Class D Common Stock, as the case may be, in addition to such other remedies as shall be available to the holder of such Class B Common Stock or Class D Common Stock, as the case may be, the Corporation shall take action to increase its authorized but unissued shares of Class A Common Stock and Class B Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Certificate of Incorporation.

6. Redemption.

(a) At the Option of Holders of the Class D Common Stock. The Class D Common Stock is redeemable by any one or more holders of Class D Common Stock in whole or in part (the "Class D Redemption Right") (i) at anytime during the period commencing on the fifth anniversary of the date that any share of Class D Common Stock is first issued (the "Class D Initial Issuance Date") and ending sixty (60) days following the fifth anniversary of the Class D

Initial Issuance Date, or, if earlier (ii) upon the consummation of (A) an IPO (as defined in Section (A)3(b)) or (B) a Liquidity Event (as defined in Section (B)4(e)), where the price per share of the shares of common stock sold in such IPO or Liquidity Event is less than the Class D Redemption Amount per share (as calculated pursuant to Section (A)6(f)) in effect at the time of the IPO or Liquidity Event, as the case maybe. Subject to the other terms and conditions of this Section (A)6, holders of Class D Common Stock may exercise their Class D Redemption Rights by giving written notice in accordance with Sections (A)6(b) or (A)6(c), as the case may be (the "Class D Stockholder Redemption Notice"). At any time when the holders of Class D Common Stock have the right to exercise their Class D Redemption Rights but elect not to or fail to timely elect to exercise such rights, the unexercised Class D Redemption Rights shall immediately expire and all of the shares of Class D Common Stock not redeemed shall be automatically converted into shares of Class B Common Stock in accordance with Section (A)5 above.

(b) Notice of IPO and Notice of Exercise. The Corporation will provide written notice of a proposed IPO and, if known, the proposed offering price or range of offering prices per share thereof (the "IPO Notice") to holders of Class D Common Stock before or promptly following the Corporation's initial filing of a registration statement with the United States Securities and Exchange Commission pursuant to the Securities Act for the securities to be sold in the proposed IPO. Holders of Class D Common Stock may exercise their Class D Redemption Rights in connection with an IPO only by providing the Class D Stockholder Redemption Notice to the Corporation at its principal office no later than fourteen (14) days after the giving of the IPO Notice. Notwithstanding the timely giving of the Class D Stockholder Redemption Notice in accordance with this Section (A)6(b) or anything else to the contrary contained herein, the Corporation will effect the redemption of the Class D Common Stock in connection with an IPO only upon the consummation of the IPO. If the IPO is not consummated following a timely Class D Stockholder Redemption Notice given in connection therewith, the Class D Redemption Right shall continue in effect as if the Class D Stockholder Redemption Notice had not been given.

(c) Notice of Liquidity Event and Notice of Exercise. The Corporation shall provide written notice of a Liquidity Event (the "Liquidity Event Notice") in which the consideration is to be paid or distributed to holders of the Class D Common Stock at least ten (10) days prior to the closing of such Liquidity Event. Holders of Class D Common Stock may exercise their Class D Redemption Rights in connection with a Liquidity Event only by providing the Class D Stockholder Redemption Notice to the Corporation at its principal office no later than ten (10) days following the date on which the Corporation gives a Liquidity Event Notice. Notwithstanding the giving of the Class D Stockholder Redemption Notice in accordance with this Section (A)6(c) or anything else to the contrary contained herein, the Corporation will effect the redemption of the Class D Common Stock in connection with a Liquidity Event only upon the consummation of the Liquidity Event. If the Liquidity Event is not consummated following a timely Class D Stockholder Redemption Notice given in connection therewith, the Class D Redemption Right shall continue in effect as if the Class D Stockholder Redemption Notice had not been given.

(d) At the Option of the Corporation. If the holders of the Class D Common Stock have not exercised their Class D Redemption Rights prior to their expiration pursuant to

Section (A)6(a)(i), then, for a period of 60 days following such expiration, the Corporation (on ten (10) days prior written notice (such notice from the Corporation referred to herein as the "Corporation Class D Redemption Notice")) shall have the right to redeem all or any portion of the Class D Common Stock (the "Corporation Class D Redemption Right") for an amount equal to the Corporation Class D Redemption Amount (as calculated pursuant to Section (A)6(f)) in effect on the date of exercise of the Corporation Class D Redemption Right.

(e) Payment of the Class D Redemption Amount and Corporation Class D Redemption Amount. If any holder of the Class D Common Stock exercises the Class D Redemption Right within the period prescribed by Section (A)6(a)(i), the Corporation shall pay the Class D Redemption Amount in cash within one hundred eighty (180) days of receiving the Class D Stockholder Redemption Notice. If any holder of the Class D Common Stock exercises the Class D Redemption Right pursuant to Section (A)6(a)(ii) or if the Corporation exercises the Corporation Class D Redemption Right, the Corporation shall pay the Class D Redemption Amount or the Corporation Class D Redemption Amount, as the case may be, in cash within thirty (30) days following the consummation of the IPO, the consummation of the Liquidity Event or the date of such exercise, as the case may be. Pending payment of the Class D Redemption Amount or the Corporation Class D Redemption Amount, as the case may be, the Class D Redemption Amount or the Corporation Class D Redemption Amount shall continue to increase as provided in Section (A)6(f). Any shares of Class D Common Stock that are redeemed pursuant to this Section (A)6 or otherwise acquired by the Corporation in any manner whatsoever shall be canceled and shall not under any circumstances be reissued and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce accordingly the number of authorized shares of Class D Common Stock.

(f) Class D Redemption Amount and Corporation Class D Redemption Amount.

(i) Prior to and on August 30, 2002, the "Class D Redemption Amount" of one share of Class D Common Stock shall equal $13.25. Commencing on August 30, 2003, the Class D Redemption Amount shall be increased by an amount equal to 10% of the Class D Redemption Amount on August 30 of the immediately preceding year, with such increase being pro rated on a per diem basis commencing on August 30 of the immediately preceding year with respect to any redemption occurring other than on August 30. For example, the Class D Redemption Amount per share on August 30, 2003 will be $14.575 per share; on June 30, 2004 will be $15.79 per share; and on May 30, 2006 will be $18.96.

(ii) Prior to and on September 30, 2002, the "Corporation Class D Redemption Amount" of one share of Class D Common Stock shall equal $17.00 per share. Commencing on September 30, 2003, the Corporation Class D Redemption Amount shall be increased by an amount equal to 10% of the Corporation Class D Redemption Amount on August 30 of the immediately preceding year, with such increase being pro rated on a per diem basis commencing on August 30 of the immediately preceding year with respect to any redemption occurring other than on August 30. For example, the Corporation Class D Redemption Amount per share on October 1, 2006 will be $24.89.

(g) Notwithstanding anything to the contrary contained herein, (i) the Class D Redemption Right and the Corporation Class D Redemption Right shall be subordinate to (A) the Class C Redemption Right and the Stockholder Redemption Right to the extent such redemption rights are exercised prior to or contemporaneously with the Class D Redemption Right or the Corporation Class D Redemption Right and (B) the rights of any bank or other institution which holds a senior lien position in respect of the Corporation's obligations to repay borrowed money from time to time, and (ii) the Corporation shall not be required to redeem any shares of Class D Common Stock if such redemption would violate Section 160 of the Delaware General Corporation Law or other applicable law or cause a default or event of default under any of the Corporation's indebtedness for borrowed money. The shares of Class D Common Stock that are not redeemed pursuant to this Section (A)6(g) shall remain outstanding and entitled to all rights and preferences provided herein. In connection with a mandatory redemption by the Corporation upon the exercise of the Class D Redemption Rights by holders of the Class D Common Stock, if the funds of the Corporation legally available for redemption of shares of Class D Common Stock on the redemption date are insufficient to redeem the total number of outstanding shares of Class D Common Stock, the holders of shares of Class D Common Stock who have exercised their Class D Redemption Rights shall share ratably in any funds legally available for redemption of such shares according to the respective amounts which would be payable with respect to the full number of shares owned by them if all such outstanding shares were redeemed in full. At any time thereafter when additional funds of the Corporation are legally available for the redemption of such shares of Class D Common Stock, such funds will be used to redeem the balance of such shares, or such portion thereof for which funds are then legally available, on the basis set forth above.

(B) Class C Common Stock. The Class C Common Stock shall have the rights, preferences, privileges and restrictions as set forth below.

1. Voting Rights. Except as otherwise provided by law, the holders of outstanding shares of Class C Common Stock shall not have any right to vote on, or consent with respect to, any matters to be voted on or consented to by the stockholders of the Corporation, and the shares of Class C Common Stock shall not be included in determining the number of shares voting or entitled to vote on any such matters. Except as otherwise provided by law, on any matter on which the holders of Class C Common Stock have the right to vote, the holders of Class C Common Stock shall vote as a single class.

2. Dividend Provisions. If any dividends or distributions are declared on the Class A Common Stock or the Class B Common Stock, the holders of shares of the Class C Common Stock shall participate with holders of shares of Class A Common Stock and Class B Common Stock on a pro rata basis, based on the number of shares of Common Stock held by each (assuming conversion of all such shares of the Class C Common Stock into Class B Common Stock or, if no shares of Class B Common Stock are then outstanding, such class of Common Stock into which the Class B Common Stock has been converted, on the terms set forth herein), in the receipt of such dividends when, as and if declared by the Board of Directors.

3. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of the Class C Common Stock shall be entitled to receive, out of the assets of the Corporation, an amount in cash equal to the greater of (i) the sum of the Class C Redemption Amount (as defined in Section 4) plus the Additional Shares Redemption Amount (as defined in Section 4) or (ii) the amount such holders would be entitled to receive with respect to shares of Class B Common Stock if such holders converted their respective shares of Class C Common Stock into Class B Common Stock in accordance with Section 5 below. Such payment shall be prior and in preference to any distribution of any of the assets of the Corporation to the holders of any class or series of stock of the Corporation other than the Preferred Stock (which Preferred Stock shall have priority over all Common Stock, including without limitation, the Class C Common Stock) by reason of their ownership thereof.

(b) Upon the completion of the distributions required by Section (B)3(a) above, the remaining assets of the Corporation available for distribution to shareholders shall be distributed among the holders of Common Stock (other than Class C Common Stock) pro rata based on the number of shares of Common Stock (other than Class C Common Stock) held by each.

(c) For purposes of this Section 3, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, or to include (without limitation), (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, but eluding any merger effected exclusively for the purpose of changing the domicile of the Corporation or any merger of the Corporation with or into a wholly owned subsidiary of the Corporation that does not affect the ownership or the outstanding shares of the Corporation) or (ii) a sale of a majority of the assets of the Corporation.

(d) The Corporation shall give each holder of record of the Class C Common Stock written notice of a transaction referred to in Section (B)3(c) not later than twenty (20) days prior to the shareholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shrill describe the material terms and conditions of the impending transaction and the provisions of this Section 3, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the Class C Required Holders. "Class C Required Holders" shall mean the holders of a majority of the shares of Common Stock issued or issuable upon conversion of the Class C Common Stock; provided however, that such majority shall include the holders of a majority of such shares other than the Insiders, or a person or entity (other than the Insiders) that acquires more than fifty percent (50%) of any of such holders' interest in such Class C Common Stock. "Insiders" shall mean the Bentleys (as defined in Section (B)4(a)) together with (i) any persons who are employees of the Corporation or any of its subsidiaries on the date such person first acquires shares of Class C Common Stock, (ii) any persons who acquire shares of Class C Common Stock within thirty (30) days of becoming

employees of the Corporation or any of its subsidiaries, and (iii) the immediate family members of any persons referred to in subclauses (i) or (ii).

(e) In the event the requirements of Section (B)3(d) are not complied with, the Corporation shall forthwith either:

(i) cause the closing of such transaction to be postponed until such time as the requirements of this Section 3 have been complied with; or

(ii) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Class C Common Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in Section (B)3(d).

4. Redemption.

(a) At the Option of Holders of the Class C Common Stock. The Class C Common Stock is redeemable by any one or more holders of Class C Common Stock in whole or in part from time to time (the "Class C Redemption Right") at any time on or after five (5) years after the date that the Class C Common Stock is first issued (the "Class C Initial Issuance Date"), if the Corporation has not then consummated a Qualified IPO (as defined in Section (B)5(b)) or a Liquidity Event on written notice (the "Class C Stockholder Redemption Notice"), or immediately prior to a Change of Control of the Corporation, at the option of any such holder of the Class C Common Stock for a purchase price equal to the sum of the Class C Redemption Amount (as calculated pursuant to Section 4(f)) and the Additional Shares Redemption Amount (as calculated pursuant to Section 4(g)). "Change of Control" shall mean an event that results in Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Raymond P. Bentley and Richard P. Bentley (each, a "Bentley" and collectively, the "Bentleys") and any trusts formed by a Bentley for the benefit of family members ceasing to own or control more than 50% of the voting securities of the Company.

(b) At the Option of the Corporation. If the Corporation has not then consummated a Qualified IPO or a Liquidity Event, the Corporation (on thirty (30) days (the "Corporation Notice Period") prior written notice (such notice from the Corporation referred to herein as the "Corporation Class C Redemption Notice")) shall have the right to redeem all, or any portion of the Class C Common Stock (the "Corporation Class C Redemption Right") for an amount equal to the sum of the Class C Redemption Amount (as calculated pursuant to Section 4(f)) and the Additional Shares Redemption Amount (as calculated pursuant to Section 4(g)) on or after five (5) years after the Class C Initial Issuance Date.

(c) Payment of the Class C Redemption Amount. If any holder of the Class C Common Stock exercises the Class C Redemption Right, the Corporation shall pay the Class C Redemption Amount in cash within one hundred eighty (180) days of receiving the Class C Stockholder Redemption Notice plus the Additional Shares Redemption Amount payable in the case of the Additional Shares Redemption Amount, at such holder's option, (A) in cash within one hundred eighty (180) days of receiving the Class C Stockholder Redemption Notice or (B) in Additional Shares, within five (5) days of receiving the Class C Stockholder Redemption Notice.

The Company shall pay interest on any cash payments under this Section (B)4 accruing from the date, as applicable, on which a holder exercises its Class C Redemption Right or on which the Corporation gives the Corporation Class C Redemption Notice at an interest rate equal to the prime rate of interest of PNC Bank, National Association (the "Prime Rate") as in effect from time to time; provided that if the Corporation fails to pay the Class C Redemption Amount when due, such interest rate shall be the Prime Rate plus 4% (the "Default Rate"). If the Corporation exercises the Corporation Class C Redemption Right, the Corporation shall pay the Class C Redemption Amount in cash within thirty (30) days following the earlier of (i) expiration of the Corporation Notice Period, or (ii) notification from the holders of the Class C Common Stock that they will not convert their Class C Common Stock. Pending payment of the Class C Redemption Amount, the Class C Redemption Amount shall continue to accrue as provided in Section 4(f). If the Corporation exercises the Corporation Class C Redemption Right, at holder's option, the Corporation shall pay the Additional Shares Redemption Amount (A) in cash, within thirty (30) days following the earlier of (i) the expiration of the Corporation Notice Period or (ii) notification from the holders of the Class C Common Stock that they will not convert their Class C Common Stock, or (B) in Additional Shares, within five days following the earlier of (i) the expiration of the Corporation Notice Period or (ii) notification from the holders of the Class C Common Stock that they will not convert their Class C Common Stock. If the Corporation is to pay the Additional Shares Redemption Amount in cash and fails to do so when such payment is due, the Corporation shall pay interest on such overdue Additional Share Redemption Amount at an interest rate equal to the Default Rate. The shares of Class C Common Stock required to be redeemed but not so redeemed shall remain outstanding and entitled to all rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of such shares of Class C Common Stock, such funds shall be used, as soon as available, to redeem the balance of such shares, or such portion thereof for which funds are then legally available, on the basis set forth above. Any shares of Class C Common Stock that are redeemed by the Corporation under this Section 4 shall be redeemed pro rata among all holders of Class C Common Stock. Any shares of Class C Common Stock that are redeemed pursuant to this Section 4 or otherwise acquired by the Corporation in any manner whatsoever shall be canceled and shall not under any circumstances be reissued and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce accordingly the number of authorized shares of Class C Common Stock. Notwithstanding the foregoing provisions of this Section (B)4, each time that a holder of Class C Common Stock seeks to exercise the Class C Redemption Right or the Corporation seeks to exercise the Corporation Class C Redemption Right, a copy of the Class C Stockholder Redemption Notice or Corporation Class C Redemption Notice, as applicable, shall be given by the Corporation (promptly upon its receipt or issuance of the applicable notice) to each holder of the Preferred Stock and no redemption of Class C Common Stock shall occur prior to thirty (30) days after such notice is provided to each holder of Preferred Stock. If any holder of Preferred Stock exercises its Stockholder Redemption Right during such thirty (30) day period, no redemption of Class C Common Stock shall occur until all amounts due to all such exercising holders of Preferred Stock pursuant to Section (C)3 below have been paid in full.

(d) Additional Obligation and Right of the Corporation. Within forty-five (45) days after the end of each calendar quarter, beginning with the quarter ending March 31, 2001 (the end of each such calendar quarter being the "4(d) Redemption Date"), (i) the

Corporation shall be required to redeem 2.5% of the Class C Redemption Amount as of the end of such quarter in cash for a price equal to 98.9847% of the portion of the Class C Redemption Amount to be redeemed and (ii) the Corporation shall have an option to redeem an amount up to an additional 2.5% of the Class C Redemption Amount as of the end of such quarter in cash for a price equal to 98.9847% of the portion of the Class C Redemption Amount to be redeemed; provided, that no redemption shall be made pursuant to this subsection (B)(4)(d) if on the applicable 4(d) Redemption Date, such redemption is prohibited by the terms of any senior bank debt to which the corporation is a party, without giving effect to any waiver (or amendment in the nature of a waiver) of such bank debt agreements for the non-compliance as of the applicable 4(d) Redemption Date with any of the following provisions of such bank debt agreements: (a) financial covenants or financial ratios; (b) payment defaults to any such bank or (c) requirements for delivery of audited financial statements not subject to a "going concern" qualification. If a redemption does not occur as of the applicable 4(d) Redemption Date, no redemption shall be made with respect to that 4(d) Redemption Date if subsequently a redemption could be made. Failure to effect a redemption on a 4(d) Redemption Date shall not affect the rights and obligations with respect to any subsequent 4(d) Redemption Date.

(e) Liquidity Event. Upon the closing of a Liquidity Event, each share of Class C Common Stock shall, at the option of the holders of Class C Common Stock either: (i) be converted into Class B Common Stock or, if applicable into the securities into which the Class B Common Stock is converted pursuant to Section (A)4 herein or otherwise (and, with respect to the Additional Shares, at the then applicable Class C Conversion Factor); or (ii) be redeemed in accordance with the terms and conditions set forth in Section 4(a) hereof, whether or not within five (5) years of the Class C Initial Issuance Date. "Liquidity Event" shall mean a sale of all or substantially all of the assets of the Corporation or a merger of the Corporation that, in the case of such merger, results in the Corporation's stockholders immediately prior to such transaction holding less than fifty percent (50%) of the voting power of the surviving, continuing or purchasing entity. The right of holders of Class C Common Stock to receive payments pursuant to clause (ii) of this Section (B)(4)(e) shall be subordinate to the rights of the holders of Preferred Shares.

(f) Class C Redemption Amount. During the first year after a share of Class C Common Stock is issued, the Class C Redemption Amount of one such share of Class C Common Stock shall equal $125 per share, less the Class C Redemption Amount per such share, if any, that the Corporation redeemed during such year. After such first year, the Class C Redemption Amount of one share of Class C Common Stock at the end of any calendar quarter (the "Current Calendar Quarter") after such first year shall equal the Class C Redemption Amount of such share at the end of the calendar quarter immediately prior to the Current Calendar Quarter for which the calculation is being made (or, in the case of the first such calculation, the end of such first year) (such amount being the "Prior Class C Redemption Amount"), plus an additional amount equal to 5.7371% of such Prior Class C Redemption Amount (it being understood that if it is necessary to calculate the Class C Redemption Amount at any time other than the end of a calendar quarter, such additional amount shall be pro rated on a per diem basis over such calendar quarter), less the Class C Redemption Amount per share, if any, that the Corporation redeemed during the Current Calendar Quarter.

(g) Additional Shares Redemption Amount. The "Additional Shares Redemption Amount" for each share of Class C Common Stock shall equal the Appraisal Fair Market Value per share times the number of Additional Shares (calculated pursuant to Section (B)5(a) hereof). "Appraisal Fair Market Value" shall be determined by a disinterested independent qualified appraiser (the "Appraiser") selected by the holder and the Corporation. If the holder and the Corporation are able to agree upon an Appraiser, such Appraiser shall be instructed to prepare a written valuation or appraisal (the "Appraisal") within thirty (30) days after its selection, with the expenses of the first valuation in any given 12 month period to be borne by the Corporation and, thereafter, to be borne equally by the Corporation and the holder. If the holder and the Corporation are not able to agree upon the selection of an Appraiser within a five (5) day period after the occurrence of the event giving rise to the valuation, each of the holder and the Corporation will, within five (5) days after the end of such five (5) day period, select an Appraiser to determine the Appraisal Fair Market Value. If either the holder or the Corporation fails to select an Appraiser within such five (5) days, the Appraiser selected by the other party shall determine the Appraisal Fair Market Value. Each of the Appraisers so selected will be instructed to furnish both the holder and the Corporation with a written appraisal within thirty (30) days of its selection, with the expense of each appraisal to be borne by the party selecting the Appraiser. If the higher of the appraisals is not more than 110% of the lower appraisal, then the Appraised Fair Market Value will be the arithmetic average of the appraisals. If the higher of the appraisals is greater than 110% of the lower appraisal, the Appraisers shall, within ten days after the issuance of their respective reports, select a third Appraiser to determine the Appraised Market Value. The third Appraiser shall furnish a written appraisal within thirty (30) days of its selection, with the expense thereof to be borne equally by the holder and the Corporation. The third appraisal shall be arithmetically averaged with the previous appraisals, and the appraisal furthest from the average of the three appraisals will be disregarded. The arithmetic average of the remaining two appraisals will be the Appraisal Fair Market Value. Each Appraiser engaged to provide an appraisal hereunder will be instructed to (i) include therein a statement of the criteria applied and assumptions made to determine the Appraisal Fair Market Value; (ii) arrive at a single calculation of such fair market value rather than alternative calculations or a range of calculations; and (iii) not attribute a premium or discount based on the fact that (1) the shares being valued constitute a majority or less than a majority of the total issued and outstanding shares of capital stock of the Corporation, (2) there is no liquid market for the sale and purchase of the shares and (3) the shares are non-voting. Any appraisal not complying with the foregoing shall not constitute an appraisal for the purpose hereof. The failure of an Appraiser to complete an appraisal within thirty (30) days as instructed shall not affect the validity of such Appraiser's appraisal.

5. Conversion. The holders of the Class C Common Stock shall have conversion rights as follows (the "Class C Conversion Rights"):

(a) Right to Convert. The Class C Common Stock shall be convertible, at the option of the holder thereof, in whole or in part, at any time after the date beginning five years after the Class C Initial Issuance Date, or immediately prior to the consummation of a Liquidity Event, or immediately prior to a Change of Control of the Corporation at the office of the Corporation or any transfer agent for such stock, into Class B Common Stock as provided herein. The number of shares of Class B Common Stock that such holder shall receive upon conversion

of one share of Class C Common Stock shall equal the sum of (i) the number of shares of Class B Common Stock (the "Additional Shares") equal to the product of the Class C Conversion Factor (as defined below) multiplied by 2.77 1/3 plus (ii) the Class C Redemption Amount as of the time of conversion of one share of Class C Common Stock divided by the Conversion Fair Market Value of one share of the Class B Common Stock. The initial conversion factor (the "Class C Conversion Factor") shall be one. The Class C Conversion Factor shall be subject to adjustment from time to time as provided in this Section 5(a). References herein to conversion of the Class C Common Stock into Class B Common Stock shall include, if no shares of Class B Common Stock are then outstanding, conversion into such other securities and/or property into which the Class B Common Stock has been converted. "Conversion Fair Market Value" of a share of stock means: (i) in connection with a conversion related to a Qualified IPO, the initial offering per share price to the public of the equity security sold in the Qualified IPO; (ii) in connection with a conversion related to a Liquidity Event, the per share consideration paid to stockholders of the Corporation in the Liquidity Event (provided that if such per share consideration includes non-cash consideration, the per share value of such non-cash consideration shall be calculated (A) for non-cash consideration consisting of shares of publicly traded securities, based upon the closing price per share of such securities on the date of the closing of the Liquidity Event or (B) for other non-cash consideration, in the same manner that the Appraisal Fair Market Value of a share of stock is calculated; and (iii) in connection with a conversion other than pursuant to (i) or (ii) above, the Appraisal Fair Market Value of a share of stock.

(i) Except for the Outstanding Rights (as defined below), if the Corporation issues or sells, or in accordance with Section (B)5(a)(ii) or (iii) is deemed to have issued or sold after the Class C Initial Issuance Date, any shares of Common Stock for a consideration per share less than the Anti-Dilution Fair Market Value (as defined below) of the Class B Common Stock immediately prior to such time, then immediately upon such issue or sale, the Class C Conversion Factor shall be adjusted to equal the product obtained by multiplying the Class C Conversion Factor in effect immediately prior to such adjustment by a fraction, the numerator of which is the product obtained by multiplying (A) the Anti-Dilution Fair Market Value of a share of Class B Common Stock determined on the date of such issue or sale, times (B) the number of Fully Diluted Shares (as defined below) immediately after such issue or sale and the denominator of which is the sum obtained by adding (1) the gross consideration, if any, received by the Corporation upon such issue or sale and (2) the product obtained by multiplying the Anti-Dilution Fair Market Value of the Common Stock determined on the date of such issue or sale times the number of shares of Fully Diluted Shares immediately prior to such issue or sale. For purposes of this Section (B), "Anti-Dilution Fair Market Value per Share" of securities shall mean (i) if such securities are traded on a securities exchange, the average of the closing prices of the securities on such exchange during the ten (10) trading day period ending three (3) trading days prior to the applicable date; (ii) if such securities are traded over-the-counter, the average of the closing sale prices of the securities during the ten (10) trading day period ending (3) trading days prior to the applicable date; and (iii) if there is no public market for such securities, the fair market value thereof as determined in good faith by the Board of Directors of the Company. For purposes of this Section (B), "Outstanding Rights" shall mean all rights, including warrants to purchase up to 1,040,000 shares of Common Stock that may be issued in connection with the Guaranty Agreements (as defined in the Revolving Credit

and Security Agreement) entered into in connection with the Revolving Credit and Security Agreement dated December 26, 2000 by and among the Corporation, Bentley Software, Inc., Atlantech Solutions, Inc. and PNC Bank, National Association (the "Revolving Credit and Security Agreement") and warrants to purchase up to 988,290 shares of Class B Common Stock issued to the lenders pursuant to the Revolving Credit and Security Agreement and options to issue or acquire shares of the Common Stock outstanding on December 21, 2000, (including without limitation the rights of holders of Preferred Stock whether or not the applicable shares of Preferred Stock have been released from escrow under the Escrow Agreement between the Company and Bachow Investment Partners III, L.P. dated September 18, 2000) and options granted in the future at exercise prices of not less than Fair Market Value pursuant to the Corporation's employee stock option plans in effect from time to time and the issuance and sale of the Common Stock upon exercise of such rights and options. "Fully Diluted Shares" means all issued and outstanding shares of the Corporation's Class A and Class B Common Stock and all shares of Class A and Class B Common Stock issuable upon exercise or conversion of options, warrants, rights, convertible securities (including the Preferred Stock and Class C Common Stock) and similar rights to subscribe for or to purchase such shares.

(ii) Except for the Outstanding Rights, if the Corporation in any manner grants any rights or options to subscribe for or to purchase Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (for purposes of this Section (B), such rights or portions being herein called "Rights" and such convertible or exchangeable stock or securities being herein called "Convertible Securities") after the Class C Initial Issuance Date and the price per share for which Common Stock is issuable upon the exercise of such Rights or upon conversion or exchange of such Convertible Securities is less than the Fair Market Value of the Common Stock in effect immediately prior to the time of the granting of such Rights, then, for purposes of this Section 5(a), the total maximum number of shares of Common Stock issuable upon the exercise of such Rights or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Rights shall be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. For purposes of this paragraph, the "price per share for which Common Stock is issuable upon the exercise for such Rights or upon conversion or exchange of such Convertible Securities" is determined by dividing (A) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Rights, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of all such Rights, plus in the case of such Rights which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the issuance or sale of such Convertible Securities and the conversion or exchange thereof by (b) the total maximum number of shares of Common Stock issuable upon exercise of such Rights or upon the conversion or exchange or all such Convertible Securities issuable upon the exercise of such Rights. No adjustment of the Class C Conversion Factor shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon the exercise of such Rights or upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(iii) If the Corporation in any manner issues or sells any Convertible Securities after the Class C Initial Issuance Date and the price per share for which Common

Stock is issuable upon such conversion or exchange is less than the Fair Market Value of the Class B Common Stock in effect immediately prior to the time of such issue or sale, then, for purposes of this Section 5(a), the maximum number of shares of Common Stock issuable upon conversion or exchange if such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock is issuable upon the conversion or exchange" is determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No adjustment of the Class C Conversion Factor shall be made upon the actual issue of such Common Stock or upon conversion or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Rights for which adjustment of the Class C Conversion Factor had been or are to be made pursuant to this Section 5(a), no further adjustment of the Class C Conversion Factor shall be made by reason of such issue or sale.

(iv) It any Common Stock, Rights or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the gross amount received by the Corporation therefor. In case any Common Stock, Rights or Convertible Securities are issued or sold for a consideration other than cash, the amount of consideration other than cash received by the Corporation shall be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Corporation shall be the Fair Market Value thereof as the date of receipt.

(v) In case any Right is issued in connection with the issue or sale of other securities of the Corporation, together comprising one integrated transaction in which no specific consideration is allocated to such Rights by the parties thereto, the Rights shall be deemed to have been issued without consideration.

(vi) The number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Corporation or any subsidiary of the Corporation, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

(vii) If the Corporation determines a record date of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock, Rights or in Convertible Securities or (B) to subscribe for or purchase Common Stock, Rights or in Convertible Securities, then, for purposes of this Section 5(a), such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(viii) If the Corporation at any time subdivides (by a stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Class C Conversion Factor in effect immediately prior to such subdivision shall be proportionately increased. If the Corporation at any time combines (by reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Class C Conversion Factor in effect immediately prior to such combination shall be proportionately decreased.

(ix) Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Corporation's assets to another person or entity or other transaction which is effected in such a way that holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as "Fundamental Change." Prior to the consummation of any Fundamental Change, the Corporation shall make appropriate provision to insure that all holders of Class C Common Stock shall thereafter have the right to acquire and receive in lieu of or addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the exercise of the conversion right granted hereunder, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon exercise of the conversion right granted hereunder had such Fundamental Change not taken place. In any such case, the Corporation shall make appropriate provision with respect to the rights and interests of all holders of Class C Common Stock to insure that the provisions of this Section 5 shall thereafter be applicable to the Class C Common Stock including, in the case of any such consolidation, merger or sale in which the successor entity or purchasing entity is other than the Corporation, an immediate adjustment of the Class C Conversion Factor taking into account the value of the Common Stock reflected by the terms of such consolidation, merger or sale, if the value per share so reflected is less than the Fair Market Value of the Class B Common Stock in effect immediately prior to such consideration, merger or sale. The Corporation shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Corporation) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument, the obligation to deliver to holders of Class C Common Stock such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holders may be entitled to acquire.

(x) If all of the Common Stock deliverable upon the exercise of Rights or Convertible Securities have not been issued when such Rights or Convertible Securities are no longer outstanding, then the Class C Conversion Factor promptly shall be readjusted to the Class C Conversion Factor that would then be in effect had the adjustment upon the issuance of such Rights or Convertible Securities been made on the basis of the actual number of shares of Common Stock or Convertible Securities issued upon exercise of such Rights or the conversion of the Convertible Securities.

(xi) If any event occurs of the type contemplated by the provisions of this Section 5(a) but not expressly provided for by such provisions, including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features, then the Board of Directors shall make an appropriate adjustment in the Class C

Conversion Factor so as to protect the rights of the holders of Class C Common Stock, provided that no such adjustment shall decrease the Class C Conversion Factor. However, notwithstanding this Section 5(a)(xi), no adjustment to the Class C Conversion Factor shall be made upon the granting of stock appreciation rights, phantom stock rights or other rights with equity features (the "Quasi-Equity Plans") to employees of or consultants to the Corporation that effectively give the recipients the benefit only of the appreciation in the Share Equivalent in excess of the Fair Market Value of the Class B Common Stock at the date of grant. For the purposes of this Section (B), a "Share Equivalent" shall mean a right or other arrangement granted under a Quasi-Equity Plan substantially equivalent to the right to acquire one share of Common Stock or the right to the appreciation in such share over a specified period of time.

(b) Automatic Conversion. Each share of Class C Common Stock shall automatically be converted into Class B Common Stock or, if applicable, into the securities into which the Class B Common Stock is converted pursuant to Section (A)4 above or otherwise (at the then applicable Class C Conversion Factor with respect to the Additional Shares) upon the closing of a Qualified IPO. The Corporation shall provide each holder of Class C Common Stock with notice of any event that can result in the conversion of the Class C Common Stock under this Section 5(b) pursuant to the provisions of Section 10 hereof. "Qualified IPO" means the Corporation's initial public offering pursuant to an effective registration statement filed by the Corporation under the Securities Act covering the offer and sale to the public for the account of the Corporation of any class or series of common stock or other equity security of the Corporation resulting in aggregate gross proceeds to the Corporation of not less than $15 million at a "pre-money" valuation of at least $225 million; provided, however, that a Qualified IPO will be deemed to have occurred as of the end of two consecutive calendar quarters following a public offering that does not meet the requirements set forth above if the average daily market capitalization of the Corporation during such quarters (as measured based upon the price per share of the securities sold by the Corporation in such public offering) is equal to or greater than $225 million.

(c) Mechanics of Conversion. Before any holder of the Class C Common Stock shall be entitled to convert the same into shares of Class B Common Stock, he shall surrender the certificate or certificates therefor, duty endorsed, at the office of the Corporation or of any transfer agent for the Class C Common Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Class B Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class C Common Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Class B Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of the Class C Common Stock to be converted, and the person or persons entitled to receive the shares of Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class B Common Stock as of such date. If the conversion is in connection with a Qualified IPO, the conversion may, at the option of any holder tendering Class C Common Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s)

entitled to receive Class B Common Stock upon conversion of such Class C Common Stock shall not be deemed to have converted such Class C Common Stock until immediately prior to the closing of such sale of securities.

(d) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 5 and in the taking of all such action as may be necessary or appropriate in order to protect the Class C Conversion Rights of the holders of the Class C Common Stock against impairment.

(e) No Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of the Class C Common Stock, and the number of shares of Class B Common Stock to be issued shall be rounded to the nearest whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Class C Common Stock the holder is at the time converting into Class B Common Stock and the number of shares of Class B Common Stock issuable upon such aggregate conversion.

(f) Special Notices. In case at any time:

(i) the Corporation shall declare any dividend upon its Common Stock payable in cash or stock or make any other distribution to the holders of its Common Stock;

(ii) the Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class of other rights;

(iii) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, or a consolidation or merger of the Corporation with or into another entity or entities, or a sale, lease, abandonment, transfer or other disposition of all or substantially all of the assets of the Corporation; or

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

then, in any one or more of said cases, the Corporation shall give, by delivery in person, certified or registered mail, return receipt requested, telecopier or telex, addressed to each holder of any shares of Class C Common Stock at the address of such holder as shown on the books of the Corporation: (a) at least twenty (20) days prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding up, or (b) if a record date shall not be established for any of the foregoing, at least twenty (20) days prior written notice of the date when the same shall take place. Such notice, in the case of any such dividend, distribution or subscription rights, shall specify the applicable terms and the date on

which the holders of Common Stock shall be entitled thereto and such notice in accordance with the foregoing clause (b) shall also specify the applicable terms and the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding up, as the case may be.

(g) Other Notices. Any other notice required by the provisions of this Section 5 to be given to the holders of shares of the Class C Common Stock shall be deemed given if deposited in the U.S. mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

6. Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times use its best efforts to reserve and keep available out of its authorized but unissued shares of Class B Common Stock, solely for the purpose of effecting the conversion of the shares of the Class C Common Stock, such number of its shares of Class B Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Class C Common Stock; and if at any time the number of authorized but unissued shares of Class B Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Class C Common Stock, in addition to such other remedies as shall be available to the holder of such Class C Common Stock, the Corporation shall take action to increase its authorized but unissued shares of Class B Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Certificate of Incorporation.

7. Board of Directors.

(a) After the Class C Initial Issuance Date, and prior to (i) the Corporation selling 150,000 shares of Class C Common Stock pursuant to the Securities Purchase Agreement dated December 26, 2000 (the "Securities Purchase Agreement") or (ii) the Class C Redemption Amount of the Class C Common Stock issued on the Class C Initial Issuance Date reaching $10 million, as long as there is Class C Common Stock outstanding, the Corporation shall permit a representative of the holders of the Class C Common Stock (which representative shall be selected by the vote of the holders of a majority of the shares of the Class C Common Stock, which holders shall, for the purposes of such vote, not include the Insiders or holders controlled by the Insiders) (the "Observer") to attend each meeting of the Board of Directors of the Corporation and each meeting of any committee of the Board of Directors of the Corporation as a non-voting observer; provided, however, that the Corporation reserves the right to exclude the Observer from access to any material or meeting or portion thereof if the Corporation believes that such exclusion is reasonably necessary to preserve the attorney-client privilege and, provided, further, that the Observer agrees to keep all materials and other information received by him or her confidential. The Corporation shall give the Observer the same notice of meeting and other materials that are given to the directors, including copies of minutes of each meeting.

(b) Beginning on the date that (i) the Corporation has sold 150,000 shares of Class C Common Stock pursuant to the Securities Purchase Agreement or (ii) the Class C Redemption Amount of the Class C Common Stock issued on the Class C Initial Issuance Date has reached $10 million, as long as there is Class C Common Stock outstanding, the holders of

the Class C Common Stock shall be entitled, but not obligated, to elect one (1) director (which director shall be selected by the vote of the holders of a majority of the shares of the Class C Common Stock, which holders shall, for the purposes of such vote, not include the Insiders or holders controlled by the Insiders) (the "Class C Common Stock Director") to serve on the Corporation's Board of Directors. The Class C Common Stock Director shall be entitled to serve on all Board Committees. At any meeting (or in a written consent in lieu thereof) held for the purpose of electing directors, the presence in person or by proxy (or the written consent) of the holders of a majority of shares of Class C Common Stock other than the Insiders or holders controlled by the Insiders shall constitute a quorum of the Class C Common Stock for the election of the Class C Common Stock Director; but shall not otherwise affect the quorum requirements for the meeting generally. In no event shall the Class C Common Stock Director be a Bentley. A vacancy in the directorship held by the Class C Common Stock Director shall be filled only by vote or written consent of the holders of a majority of the shares of the Class C Common Stock, which holders shall, for the purposes of such vote, not include the Insiders or holders controlled by the Insiders.

8. Status of Converted Stock. In the event any shares of Class C Common Stock shall be converted pursuant to Section (B)5 hereof, the shares so converted shall be canceled and shall not be issuable by the Corporation. The Certificate of Incorporation of the Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock.

9. Notices. (a) All notices and other communications from the Corporation to holders of the Class C Common Stock shall be mailed by first-class certified mail, postage prepaid, to the address furnished to the Corporation in writing by the last holder of the Class C Common Stock who shall have furnished an address to the Corporation in writing.

(b) In the event:

(1) the Corporation shall authorize issuance to all holders of Common Stock of rights or warrants to subscribe for or purchase capital stock of the Corporation or of any other subscription rights or warrants;

(2) the Corporation shall authorize any dividend or other distribution payable in evidences of its indebtedness, cash or assets;

(3) of any Liquidity Event or consolidation or merger or change of control to which the Corporation is a party, or of the conveyance or transfer of the properties and assets of the Corporation substantially as an entirety, or of any capital reorganization or reclassification or change of the Common Stock;

(4) of the voluntary or involuntary dissolution, liquidation or winding up to the Corporation;

(5) of the consummation of a Qualified IPO; and

(6) the Corporation proposes to take any other action which would require an adjustment of the Class C Conversion Factor;

make any distribution upon any class or series of stock of the Corporation (other than the Preferred Stock, the Class C Common Stock or the Class D Common Stock); provided, however, that the Board of Directors may authorize the Corporation to repurchase equity securities of the Corporation from former employees of the Corporation, other than the Bentleys, from time to time, so long as each such repurchase from a former employee, when combined with other repurchases for former employees does not exceed $250,000 per year.

(C) Preferred Stock. The Preferred Stock shall have the rights, preferences, privileges and restrictions as set forth below.

1. Dividend Provisions. From September 18, 1998, the holders of shares of the Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock of the Corporation, at the rate of One Dollar and Ninety-Five and 22/100 Cents ($1.9522) per annum, pro rated for partial years, on each outstanding share of the Preferred Stock (appropriately adjusted for stock splits, reverse stock splits, stock dividends, merger and recapitalizations), payable quarterly when, as and if declared by the Board of Directors. Such dividends shall be cumulative and unpaid dividends shall compound annually at the rate of Twenty and Two Hundred and One Thousandths percent (20.201%) per annum. The amount of cumulative accrued and unpaid dividends at any date, after giving effect to such compounding, is hereinafter referred to as the "Accrued Dividends." Except for the redemptions of Class C Common Stock required or permitted under Section (B)4(d) hereof, the Corporation shall not declare or pay any dividend or set aside a sum sufficient for such payment, or make any distribution, in respect of the shares of the Common Stock while any share of the Preferred Stock is outstanding without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of the Preferred Stock, voting together as a class (the "Required Holders"). In the event of any such dividend, set aside or distribution, the holders of shares of the Preferred Stock shall participate with holders of shares of Common Stock on a pro rata basis, based on the number of shares of Common Stock held by each (assuming conversion of all such shares of the Preferred Stock into Class B Common Stock or, if no shares of Class B Common Stock are then outstanding, such class of Common Stock into which the Class B Common Stock has been converted, on the terms set forth herein), in the receipt of such dividends when, as and if declared by the Board of Directors (other than a dividend payable in Common Stock or other equity securities or rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock), which dividends shall be in addition to and not in lieu of the Accrued Dividends. As used in this Section 1, the term "distribution" shall not include the repurchase of shares of Common Stock except on a pro rata basis from all holders of Common Stock.

2. Liquidation Preference.

(a) In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, the holders of the Preferred Stock shall be entitled to (i) convert their respective shares of Preferred Stock into Class B Common Stock in accordance with Section 4 below, or (ii) have the Preferred Stock redeemed in accordance with Section 3 hereof, whether or not within four and one-half (4-1/2) years of the Initial Issuance Date (as deemed below). Such payment shall be prior and in preference to any distribution of any of the assets of the Corporation to the holders of the Common Stock by reason of their ownership thereof.

(b) Upon the completion of the distributions required by Section (C)2(a) above, the remaining assets of the Corporation available for distribution to shareholders shall be distributed among the holders of Common Stock pro rata based on the number of shares of Common Stock held by each.

(c) For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to be occasioned by, or to include (without limitation), (i) the acquisition of the Corporation by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, but excluding any merger effected exclusively for the purpose of changing the domicile of the Corporation or any merger of the Corporation with or into a wholly-owned subsidiary of the Corporation that does not affect the ownership of the Corporation) or (ii) a sale of a majority of the assets of the Corporation.

(d) The Corporation shall give each holder of record of the Preferred Stock written notice of a transaction referred to in Section (C)2(c) not later than twenty (20) days prior to the shareholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the Required Holders.

(e) In the event the requirements of Section (C)2(d) are not complied with, the Corporation shall forthwith either:

(i) cause the closing of such transaction to be postponed until such time as the requirements of this Section 2 have been complied with; or

(ii) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in Section (C)2(d).

3. Redemption.

(a) At the Option of Holders of the Preferred Stock. The Preferred Stock is redeemable by any one or more holders of Preferred Stock in whole or in part from time to time (the "Stockholder Redemption Right") at any time on or after four and one-half (4-1/2) years after the date that the Preferred Stock is first issued (the "Initial Issuance Date") on written notice (the "Stockholder Redemption Notice") at the option of any such holder of the Preferred Stock for Nine Dollars Sixty Six and 21/100 Cents ($9.6621) per share (the "Face Amount") plus Accrued Dividends to the date that the redemption payment is made (collectively, the "Redemption Amount"). Notwithstanding the foregoing, the Stockholder Redemption Right and the Corporation Redemption Right (as defined below) shall terminate upon the earlier of the closing of (i) a Sale of the Corporation (as defined below); or (ii) an IPO.

(b) At the Option of the Corporation. The Corporation (on thirty (30) days (the "Notice Period") prior written notice (such notice from the Corporation referred to herein as the "Corporation Redemption Notice")) shall have the right to redeem all, but not less than all of the Preferred Stock (the "Corporation Redemption Right") for the Redemption Amount on or after six and one-half (6 1/2) years after the Initial Issuance Date.

(c) Payment of the Redemption Amount. If any holder of the Preferred Stock exercises the Stockholder Redemption Right, the Corporation shall pay the Redemption Amount in cash within one hundred twenty (120) days of receiving the Stockholder Redemption Notice. If the Corporation exercises the Corporation Redemption Right, the Corporation shall pay the Redemption Amount in cash within thirty (30) days following the earlier of (i) expiration of the Notice Period, or (ii) notification from the holders of the Preferred Stock that they will not convert their Preferred Stock (each such time period referred to hereafter as a "Prescribed Period"). If the Corporation fails to pay the Redemption Amount within the applicable Prescribed Period, the Corporation shall instead pay the exercising holder an amount equal to $36,203,574 multiplied by a fraction, the numerator of which equals the number of shares of the Preferred Stock held by the exercising holder immediately prior to redemption and the denominator of which equals 1,552,450 (the "Delinquent Redemption Amount"). The Preferred Stock shall continue to accrue dividends as provided in Section (C)1 herein. The Delinquent Redemption Amount shall accrue interest at the annual rate of 4% (or, if less, the maximum rate permitted by applicable law) from the date of the Stockholder Exercise Notice or the Corporation Exercise Notice (whichever is applicable) to the earlier of the date of payment or the Prescribed Period Deadline, as defined below. If the Corporation is required but fails to pay the Delinquent Redemption Amount plus accrued interest within ninety (90) days following the expiration of the applicable Prescribed Period (the "Prescribed Period Deadline"), the Corporation shall instead pay the exercising holder an amount equal to any interest accrued pursuant to this Section 3(c) plus an amount equal to $37,108,663, multiplied by a fraction. the numerator of which equals the number of shares of the Preferred Stock held by the exercising holder immediately prior to redemption and the denominator of which equals 1,552,450 (the "Second Delinquent Redemption Amount"). The Preferred Stock shall continue to accrue dividends as provided in Section (C)1 herein. The Second Delinquent Redemption Amount shall accrue interest at the annual rate of 4% (or, if less, the maximum rate permitted by applicable law) from the Prescribed Period Deadline to the date of payment. If the funds of the Corporation legally available for redemption of shares of Preferred Stock are insufficient to redeem the total number of shares of Preferred Stock to be redeemed, then (x) the holders of such shares shall share ratably in any

funds legally available for redemption of such shares according to the respective amounts which would be payable to them if the full number of shares to be redeemed were actually redeemed; and (y) the Corporation shall only be required to pay the Redemption Amount out of funds legally available therefor and not the Delinquent Redemption Amount nor the Second Delinquent Redemption Amount; however, once the funds of the Corporation legally available for redemption of shares of the Preferred Stock are sufficient to redeem any unredeemed shares of Preferred Stock to be redeemed pursuant to this Section 3(c) then if the Corporation fails to pay the Redemption Amount within thirty (30) days from such time, the Corporation shall pay the exercising holder the Delinquent Redemption Amount (less the product of the portion of the Redemption Amount already paid multiplied by 105%) which amount shall accrue interest at the annual rate of 4% (or, if less, the maximum rate permitted under applicable law) to the earlier of the date of payment or ninety (90) days following the time that the funds of the Corporation became legally available for redemption of the shares of the Preferred Stock and, if the Corporation fails to pay the Delinquent Redemption Amount within such ninety (90) day period the Corporation shall pay the exercising holder the Second Delinquent Redemption Amount (less the product of the Delinquent Redemption Amount already paid multiplied by 102.5%), which amount shall accrue interest at the annual rate of 4% (or, if less, the maximum rate permitted under applicable law) until the date of payment. The shares of Preferred Stock required to be redeemed but not so redeemed shall remain outstanding and entitled to all rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of such shares of Preferred Stock, such funds shall be used, at the end of the next succeeding calendar quarter, to redeem the balance of such shares, or such portion thereof for which funds are then legally available, on the basis set forth above. Any shares of Preferred Stock redeemed pursuant to this Section 3 or otherwise acquired by the Corporation in any manner whatsoever shall be canceled and shall not under any circumstances be reissued and the Corporation may from time to time take such appropriate corporate action as may be necessary to reduce accordingly the number of authorized shares of Preferred Stock.

(d) Sale of the Corporation.

(i) In the event there is a Sale of the Corporation during the one (1) year period following exercise of the Stockholder Redemption Right or the Corporation Redemption Right, the Corporation shall pay the redeeming holders of the Preferred Stock (the "Redeeming Stockholders"), in addition to the Redemption Amount, an amount equal to the amount, if any, by which the Redemption Amount is less than the amount that the Redeeming Stockholders would have received (with any non-cash consideration valued at its Fair Market Value (as defined below)) had they remained stockholders of the Corporation (assuming the Redeeming Stockholders would have converted their shares of the Preferred Stock to Class B Common Stock prior to the sale) (the "Lookback Amount"). A "Sale of the Corporation" shall mean the entering into of any legally binding oral or written agreement (provided that closing occurs pursuant to such agreement regardless of whether such closing occurs prior or subsequent to one (1) year after the exercise of the Stockholder Redemption Right or the Corporation Redemption Right and, provided further, that in the case of a legally binding oral agreement, within 16 months after such exercise, such oral agreement is reduced to a written agreement or the closing occurs) or the closing of a transaction, pursuant to which (1) the Corporation's stockholders receive directly or indirectly cash and/or other consideration (including without

limitation securities) and (ii) (A) a majority of the Corporation's consolidated assets are to be sold; or (B) a majority of the Corporation's fully diluted common equity is to become beneficially owned (as a result of a stock sale, merger or otherwise) by an individual or entity or group (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended) that does not own a majority of the fully diluted common equity as of the Initial Issuance Date. Notwithstanding the foregoing, the Corporation shall only be obligated to pay the Lookback Amount to Redeeming Stockholders provided the Sale of the Corporation is to a purchaser with whom the Corporation had discussions (or with whose representatives the Corporation had discussions) regarding a potential Sale of the Corporation during the period commencing six (6) months prior to the exercise of the Redemption Right and ending on the date of exercise of the Redemption Right.

(ii) Upon the closing of a sale of the Corporation in a transaction in which the holders of Common Stock receive (i) publicly traded securities of the acquiring entity in the transaction, or (ii) cash, or any combination of (i) and (ii), each share of Preferred Stock shall, at the option of the holders of Preferred Stock either: (x) be converted into Class B Common Stock or, if applicable into the securities into which the Class B Common Stock is converted pursuant to Section (A)4 herein or otherwise (at the then applicable Conversion Ratio); or (y) be redeemed in accordance with the terms and conditions set forth in Section 3 hereof, whether or not within four (4) years of the Initial Issuance Date.

4. Conversions. The holders of the Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. The Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such Preferred Stock, at the office of the Corporation or any transfer agent for such stock, into Class B Common Stock as provided herein. The initial conversion ratio (the "Conversion Ratio") (i.e., the number of shares of Class B Common Stock issuable upon conversion of each share of Preferred Stock) shall be one to one. The Conversion Ratio shall be subject to adjustment from time to time as provided in this Section 4(a); provided, however, that the Conversion Ratio shall not be adjusted in connection with the issuance of Class C Common Stock prior to April 1, 2001 or any conversion of such Class C Common Stock. References herein to conversion of the Preferred Stock into Class B Common Stock shall include, if no shares of Class B Common Stock are then outstanding, conversion into such other securities and/or property into which the Class B Common Stock has been converted.

(i) Except for the Outstanding Rights (as defined below), if the Corporation issues or sells, or in accordance with Section (C)4(a)(ii) or (iii) is deemed to have issued or sold after September 18, 1998, any shares of Common Stock for a consideration per share less than the Fair Market Value (as defined below) of the Common Stock immediately prior to such time; then immediately upon such issue or sale, the Conversion Ratio shall be adjusted to equal the product obtained by multiplying the Conversion Ratio in effect immediately prior to such adjustment by a fraction, the numerator of which is the product obtained by multiplying (A) the Fair Market Value of the Common Stock determined on the date of such issue or sale, times (B) the number of Fully Diluted Shares as defined below) immediately after such issue or sale and the denominator of which is the sum obtained by adding (1) the gross

consideration, if any, received by the Corporation upon such issue or sale and (2) the product obtained by multiplying the Fair Market Value of the Common Stock determined on the date of such issue or sale times the number of shares of Fully Diluted Shares immediately prior to such issue or sale. For purposes of this Section (C), "Fair Market Value" shall mean: (i) if traded on a securities exchange or The Nasdaq National Market, the average of the closing prices of the securities on such exchange during the twenty (20) trading day period ending three (3) days prior to the date of issue or sale; (ii) if traded over-the-counter, the average of the last bid or sales prices (whichever is applicable) during the twenty (20) trading day period ending three (3) trading days prior to the date of issue or sale; and (iii) if there is no public market, the fair market value thereof. Each holder of Preferred Stock shall have the right but not the obligation to utilize as the Fair Market Value for this Section (C), the amount determined as Appraisal Fair Market Value for purposes of Section (B) as of the relevant time. For purposes of this Section (C), "Outstanding Rights" shall mean all rights and options to issue or acquire the Common Stock outstanding on September 18, 1998, and options granted in the future at exercise prices of not less than Fair Market Value pursuant to the Corporation's employee stock option plans in effect from time to time and the issuance and sale of the Common Stock upon exercise of such rights and options. Notwithstanding any other provision of this Section (B)4, no adjustment of the Conversion Ratio shall be made upon the issuance of Class C Common Stock or the warrants issued in connection therewith (the "Class C Warrants") or upon any anti-dilution adjustment to the Class C Common Stock or the Class C Warrants (collectively, the "Class C Securities") or upon the issue of Common Stock upon conversion or exercise of the Class C Securities and no adjustment of the Conversion Ratio shall be made upon the issuance of Class D Common Stock or upon any anti-dilution adjustment to the Class D Common Stock or upon the issue of Common Stock upon conversion or exercise of the Class D Common Stock.

(ii) Except for the Outstanding Rights, if the Corporation in any manner grants any rights or options to subscribe for or to purchase Common Stock or any stock or other securities convertible into or exchangeable for Common Stock (for purposes of this Section (C) such rights or portions being herein called "Rights" and such convertible or exchangeable stock or securities being herein called "Convertible Securities") after September 18, 1998 and the price per share for which Common Stock is issuable upon the exercise of such Rights or upon conversion or exchange of such Convertible Stock is less than the Fair Market Value of the Common Stock in effect immediately prior to the time of the granting of such Rights, then, for purposes of this Section 4(a), the total maximum number of shares of Common Stock issuable upon the exercise of such Rights or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Rights shall be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. For purposes of this paragraph, the "price per share for which Common Stock is issuable upon the exercise for such Rights or upon conversion or exchange of such Convertible Securities" is determined by dividing (A) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Rights, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the exercise of all such Rights, plus in the case of such Rights which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the issuance or sale of such Convertible Securities and the conversion or exchange thereof by (b) the total maximum number of shares of Common Stock issuable upon exercise of such

Rights or upon the conversion or exchange or all such Convertible Securities issuable upon the exercise of such Rights. No adjustment of the Conversion Ratio shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon the exercise of such Rights or upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(iii) If the Corporation in any manner issues or sells any Convertible Securities after September 18, 1998 and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Fair Market Value of the Common Stock in effect immediately prior to the time of such issue or sale, then, for purposes of this Section 4(a), the maximum number of shares of Common Stock issuable upon conversion or exchange if such Convertible Securities shall be deemed to be outstanding and to have been issued and sold by the Corporation for such price per share. For the purposes of this paragraph, the "price per share for which Common Stock is issuable upon the conversion or exchange" is determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Corporation upon the conversion or exchange thereof by (B) the total maximum number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No adjustment of the Conversion Ratio shall be made upon the actual issue of such Common Stock or upon conversion or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Rights for which adjustment of the Conversion Ratio had been or are to be made pursuant to this Section 4(a), no further adjustment of the Conversion Ratio shall be made by reason of such issue or sale.

(iv) If any Common Stock, Rights or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor shall be deemed to be the gross amount received by the Corporation therefor. In case any Common Stock, Rights or Convertible Securities are issued or sold for a consideration other than cash, the amount of consideration other than cash received by the Corporation shall be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Corporation shall be the Fair Market Value thereof as the date of receipt.

(v) In case any Right is issued in connection with the issue or sale of other securities of the Corporation, together comprising one integrated transaction in which no specific consideration is allocated to such Rights by the parties thereto, the Rights shall be deemed to have been issued without consideration.

(vi) The number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Corporation or any subsidiary of the Corporation, and the disposition of any shares so owned or held shall be considered an issue or sale of Common Stock.

(vii) If the Corporation determines a record date of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock, Rights or in Convertible Securities or (B) to subscribe for or purchase

Common Stock, Rights or in Convertible Securities, then, for purposes of this Section 4(a), such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

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

(ix) Prior to the consummation of any Fundamental Change, the Corporation shall make appropriate provision to insure that all holders of Preferred Stock shall thereafter have the right to acquire and receive in lieu of or addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the exercise of the conversion right granted hereunder, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon exercise of the conversion right granted hereunder had such Fundamental Change not taken place. In any such case, the Corporation shall make appropriate provision with respect to the rights and interests of all holders of Preferred Stock to insure that the provisions of this Section 4 shall thereafter be applicable to the Preferred Stock including, in the case of any such consolidation, merger or sale in which the successor entity or purchasing entity is other than the Corporation, an immediate adjustment of the Conversion Ratio taking into account the value of the Common Stock reflected by the terms of such consolidation, merger or sale, if the value per share so reflected is less than the Fair Market Value of the Common Stock in effect immediately prior to such consideration, merger or sale. The Corporation shall not effect any such consolidation, merger or sale, unless prior to the consummation thereof, the successor entity (if other than the Corporation) resulting from consolidation or merger or the entity purchasing such assets assumes by written instrument, the obligation to deliver to holders of Preferred Stock such shares of stock, securities or assets as, in accordance with the foregoing provisions, such holders may be entitled to acquire.

(x) If all of the Common Stock deliverable upon the exercise of Rights or Convertible Securities have not been issued when such Rights or Convertible Securities are no longer outstanding, then the Conversion Ratio promptly shall be readjusted to the Conversion Ratio that would then be in effect had the adjustment upon the issuance of such Rights or Convertible Securities been made on the basis of the actual number of shares of Common Stock or Convertible Securities issued upon exercise of such Rights or the conversion of the Convertible Securities.

(xi) If any event occurs of the type contemplated by the provisions of this Section 4(a) but not expressly provided for by such provisions, including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features, then the Board of Directors shall make an appropriate adjustment in the Conversion

Ratio so as to protect the rights of the holders of Preferred Stock, provided that no such adjustment shall decrease the Conversion Ratio. However, notwithstanding this Section 4(a)(xi), no adjustment to the Conversion Ratio shall be made upon the granting of rights with equity features under Quasi-Equity Plans to employees of or consultants to the Corporation that effectively give the recipients the benefit only of the appreciation in the Share Equivalent in excess of the Fair Market Value of the Common Stock at the date of grant. For the purposes of this Section (C), a "Share Equivalent" shall mean a right or other arrangement granted under a Quasi-Equity Plan substantially equivalent to the right to acquire one share of Common Stock or the right to the appreciation in such share over a specified period of time.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into Class B Common Stock or, if applicable, into the securities into which the Class B Common Stock is converted pursuant to Section (A)4 above or otherwise (at the then applicable Conversion Ratio) upon the closing of an IPO.

(c) Mechanics of Conversion. Before any holder of the Preferred Stock shall be entitled to convert the same into shares of Class B Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock, and shall give written notice to the Corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Class B Common Stock are to be issued. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Class B Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of the Preferred Stock to be converted, and the person or persons entitled to receive the shares of Class B Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Class B Common Stock as of such date. If the conversion is in connection with an IPO, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive Class B Common Stock upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities.

(d) No Impairment. The Corporation will not, by amendment of its Certificate of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.

(e) No Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock, and the number of shares of Class B Common Stock to be issued shall be rounded to the nearest whole share. Whether or not

fractional shares are issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Class B Common Stock and the number of shares of Class B Common Stock issuable upon such aggregate conversion.

(f) Special Notices. In case at any time:

(i) the Corporation shall declare any dividend upon its Common Stock payable in cash or stock or make any other distribution to the holders of its Common Stock;

(ii) the Corporation shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights;

(iii) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, or a consolidation or merger of the Corporation with or into another entity or entities, or a sale, lease, abandonment, transfer or other disposition of all or substantially all of the assets of the Corporation; or

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

then, in any one or more of said cases, the Corporation shall give, by delivery in person, certified or registered mail, return receipt requested, telecopier or telex, addressed to each holder of any shares of Preferred Stock at the address of such holder as shown on the books of the Corporation: (a) at least twenty (20) days prior written notice of the date on which the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding up, or (b) if a record date shall not be established for any of the foregoing, at least twenty (20) days prior written notice of the date when the same shall take place. Such notice, in the case of any such dividend, distribution or subscription rights, shall specify the applicable terms and the date on which the holders of Common Stock shall be entitled thereto and such notice in accordance with the foregoing clause (b) shall also specify the applicable terms and the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding up, as the case may be.

(g) Other Notices. Any other notice required by the provisions of this Section 4 to be given to the holders of shares of the Preferred Stock shall be deemed given if deposited in the U.S. mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

(h) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class B Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Class B Common Stock as shall from time to time be sufficient to

effect the conversion of all outstanding shares of the Preferred Stock, and if at any time the number of authorized but unissued shares of Class B Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class B Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Certificate of Incorporation.

5. Voting Rights. Except as otherwise provided herein or as required by applicable law, holders of the Preferred Stock shall not have any voting rights.

6. Board of Directors. So long as any shares of the Preferred Stock are outstanding, the holders of the Preferred Stock shall be entitled, but not obligated, to elect one (1) director (the "Preferred Stock Director") to serve on the Corporation's Board of Directors. The Preferred Stock Director shall be entitled to serve on all Board Committees. If at any time the Corporation's Board shall increase to eight (8) or more members, including the Preferred Stock Director, the holders of the Preferred Stock shall be entitled, but not obligated, to elect an additional director (the "Supplemental Preferred Stock Director"). The Supplemental Preferred Stock Director shall have the same rights and privileges as the Preferred Stock Director other than the entitlement to serve on Board Committees. At any meeting (or in a written consent in lieu thereof) held for the purpose of electing directors, the presence in person or by proxy (or the written consent) of the holders of a majority of the shares of Preferred Stock then outstanding shall constitute a quorum of the Preferred Stock for the election of the Preferred Stock Director (and the Supplemental Preferred Stock Director when applicable); but shall not otherwise affect the quorum requirements for the meeting generally. A vacancy in the directorship held by the Preferred Stock Director (and the Supplemental Preferred Stock Director where applicable) shall be filled only by vote or written consent of the holders of the Preferred Stock.

7. Status of Converted Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section (C)4 hereof, the shares so converted shall be canceled and shall not be issuable by the Corporation. The Certificate of Incorporation of the Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock.

FIFTH: The name and mailing address of the incorporator is as follows:

Name	Mailing Address
David G. Nation	1100 Philadelphia National Bank Building Broad & Chestnut Streets Philadelphia, PA 19107

SIXTH: In furtherance and not in limitation of the general powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter or repeal the By-Laws of the Corporation, except as specifically stated therein.

SEVENTH: A director of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except to the extent that Section 102(b)(7) (or any successor provision) of the Delaware General Corporation Law, as amended from time to time, expressly provides that the liability of a director may not be eliminated or limited.

EIGHTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this Corporation under the provisions of Section291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of Section279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said Court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

NINTH: The term of existence of the Corporation shall be perpetual.

TENTH: Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote at an election of directors.

ELEVENTH: The election of directors shall be conducted in the manner prescribed in the By-Laws of the Corporation and need not be by ballot.

IN WITNESS WHEREOF, the undersigned, being the incorporator hereinabove named, does hereby execute this Certificate of Incorporation this 5th day of March, 1987.

/s/ David G. Nation

David G. Nation, Incorporator

Exhibit 3.3

BY-LAWS

of

BENTLEY SYSTEMS, INCORPORATED

(A Delaware Corporation)

Article 1. MEETINGS OF STOCKHOLDERS

Section 1.01. Place, Date and Time of Meeting. Meetings of the stockholders of the Corporation shall be held at such place, date and time as may be fixed by the Board of Directors. If no place is so fixed, they shall be held at the office of the Corporation in Wilmington, New Castle County, Delaware.

Section 1.02. Annual Meeting. The annual meeting of stockholders, for the election of directors and the transaction of any other business which may be brought before the meeting, shall, unless the Board of Directors shall determine otherwise, be held, at 1:00 P.M. on the first Tuesday in June each year, if not a legal holiday under the laws of Delaware and, if a legal holiday, then on the next secular day following.

Section 1.03. Special Meetings. Special Meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of the holders of a majority of the entire capital stock of the Corporation issued and outstanding and entitled to vote. Any such request shall state the purpose or purposes of the proposed meeting.

Section 1.04. Organization. At every meeting of the stockholders, the President, or in his absence, a Vice President, or in the absence of the President and all the Vice Presidents, a chairman chosen by the stockholders, shall act as chairman; and the Secretary, or in his absence, a person appointed by the chairman, shall act as Secretary.

Section 1.05. Quorum; Voting. Except as otherwise specified herein or in the Certificate of Incorporation or provided by law, (a) a quorum shall consist of the holders of a majority of the stock issued and outstanding and entitled to vote, and (b) when a quorum is present, all matters shall be decided by the vote of the holders of a majority of the stock having voting power present in person or by proxy.

In each election of directors, the candidates receiving the highest number of votes, up to the number of directors to be elected in such election, shall be elected.

Article 2. DIRECTORS

Section 2.01. Number and Term of Office. The number of directors of the Corporation shall be five. Each director shall be elected for the term of one year and

shall serve until his successor is elected and qualified. So long as the Stockholders' Agreement dated June 11, 1987 between the Corporation and its stockholders (such agreement, as amended from time to time, the "Stockholders' Agreement") is in effect, two of such directors shall be designated as Management Directors and two as Intergraph Directors in accordance with the terms of the Stockholders' Agreement. The terms "Intergraph Directors," "Management Stockholders" and Management Directors" as used in these By-laws shall have the meanings ascribed to them in the Stockholders' Agreement.

Section 2.02. Resignations. Any director may resign at any time by giving written notice to the Board of Directors, to the President, or to the Secretary. Such resignation shall take effect at the time of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Any vacancy in the Board of Directors, resulting from death, resignation, increase in the authorized number of directors or otherwise, may, so long as the Stockholders' Agreement (as defined in Section 2.01) is in effect, be filled in accordance with the terms of said Stockholders' Agreement and, if the Stockholders' Agreement is no longer in effect, may be filled for the unexpired term by a majority vote of the remaining directors in office, though less than a quorum.

Section 2.03. Annual Meeting. Immediately after each annual election of directors, the Board of Directors shall meet for the purpose of organization, election of officers, and the transaction of other business, at the place where such election of directors was held. Notice of such meeting need not be given. In the absence of a quorum at said meeting, the same may be held at any other time and place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors.

Section 2.04. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board.

Section 2.05. Special Meetings. Special meetings of the Board of Directors may be, called by the President, by a Vice President, or by two or more of the directors, and shall be held at such time and place as shall be designated in the call for the meeting.

Notice of each special meeting shall be given by mail, telegram, telephone, or orally, by or at the direction of the person or persons authorized to call such meeting, to each director, at least one day prior to the day named for the meeting.

Section 2.06. Organization. Every meeting of the Board of Directors shall be presided over by the Chairman of the Board, if one has been selected and is present, and, if not, the President, or in the absence of the Chairman of the Board and the President, a Vice President, or in the absence of the Chairman of the Board, the President and all the Vice Presidents, a chairman chosen by a majority of the directors present. The Secretary, or in his absence, a person appointed by the Chairman, shall act as Secretary.

Section 2.07. Quorum; Voting. A majority of the directors shall constitute a quorum for the transaction of business and the vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or as hereafter provided. So long as the Stockholders' Agreement (as defined in Section 2.01) is in effect, (A) with respect to actions or inactions by or on behalf of the Corporation under the Software License Agreement for Microstation and the IGDS License Agreement, each dated April 17, 1987 between this Corporation and Intergraph (and any successor agreements thereto) and any other agreement entered into from time to time between this Corporation and Intergraph Corporation (or any affiliate of Intergraph Corporation) and any action by the Corporation under Section 7(b) of the Stockholders' Agreement, one half of the directors in office shall constitute a quorum for the transaction of business and the Intergraph Directors shall not be entitled to vote, and (B) with respect to actions or inactions by or on behalf of the Corporation under any employment contract between the Corporation and a Management Stockholder, one half of the directors in office shall constitute a quorum for the transaction of business and the Management Directors shall not be entitled to vote. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 2.08. Required Vote.

(1) So long as any shares of the Corporation's Series A Convertible Preferred Stock (the "Preferred Stock") remain issued and outstanding, the Corporation shall not take the following actions without the written consent of the Preferred Stock Director, if any, or the Supplemental Preferred Stock Director, if any:

(a) entry into any related party transactions valued in excess of $25,000 per transaction or $100,000 per year in the aggregate, all of which will be on third-party, arms length terms, or otherwise material to the Corporation (other than (i) compensation arrangements (including benefits) in place on August 26, 1998, (ii) the Corporation's business relationships with Intergraph Corporation, which relationships shall be on third-party, arms-length terms); or (iii) quarterly redemption payments (mandatory and discretionary) in accordance with the terms of Section (B)4.(d) of the Corporation's Certificate of Incorporation;

(b) effectuation of a voluntary liquidation, dissolution, recapitalization or reorganization of the Corporation or any filing under state or federal law for the protection of debtors;

(c) repurchase or redemption of any equity securities of the Corporation, or pay dividends or other distributions on equity securities of the Corporation (other than a stock split or stock dividend or the quarterly redemption payments (mandatory and discretionary) in accordance with the terms of Section (B)4.(d) of the Corporation's Certificate of Incorporation;

(d) change to the Corporation's current line of business, such that more than 25% of the Corporation's resources (excluding administrative personnel) are no longer devoted to selling, supporting, developing or providing engineering software and services to the engineering industries currently served by the Corporation as of August, 1998;

(e) issuance of any stock that is pari passu or senior to the Corporation's Preferred Stock in terms of liquidation and dividend preferences;

(f) amendment, repeal or establishment of any provision of the Corporation's Certificate of Incorporation or these By-laws that could have an adverse effect upon the holders of the Preferred Stock as a class which is different from the effect on all stockholders without regard to class; and

(g) amend or repeal Section 2.2 (as it relates to the rights of the holder of Preferred Stock to elect a representative of representatives, as the case may be, to the Board), Section 2.8 or Article 4 (as it relates to indemnification of the Preferred Stock representative or representatives, as the case may be, on the Board) of these By-laws, or take any other action requiring the approval of the Board pursuant to the resolutions of the Corporation's Board dated August 26, 1998 (a copy of which is attached as Exhibit A hereto), without approval of the Corporation's Board.

(2) So long as any shares of the Corporation's Class C Common Stock are outstanding, the following actions shall require the consent of the Class C Common Stock Director, or if there is not a Class C Common Stock Director, the Required Holders:

(a) entry into any related party transactions valued in excess of $100,000 per year in the aggregate, or which are not on third-party, arms length terms, or which are otherwise material to the Corporation (other than (i) compensation arrangements (including benefits) in place on the initial Class C Initial Issuance Date or (ii) the Corporation's business relationships with Intergraph Corporation (but all of the future relations with Intergraph Corporation will be on no worse than third-party, arms-length terms));

(b) effectuation of a voluntary liquidation, dissolution, recapitalization or reorganization of the Corporation or any filing under state or federal law for the protection of debtors;

(c) repurchase or redemption of any equity securities that are junior or pari passu to the Class C Common Stock (other than repurchases of equity securities of the Corporation from former employees of the Corporation, other than the Bentleys, from time to time, so long as each such repurchase from a former employee, when combined with other repurchases for such former employee, does not exceed $250,000 per year), or payment of dividends or other distributions on equity securities (other than a stock split or stock dividend or pursuant to the terms of the Senior Preferred or the terms of the Class C Common Stock);

(d) change to the Corporation's current line of business, such that more than 50% of the Corporation's resources (excluding administrative personnel) are no

longer devoted to selling, supporting, developing or providing engineering software and services to the engineering industries currently served by the Corporation;

(e) issuance of any stock (other than the Class B Common Stock in escrow under an Escrow Agreement dated September 18, 1998, among the Corporation, the holder of such stock and Wilmington Trust Company, as escrow agent, whether or not such stock has been released from escrow) that is pari passu or senior to the Class C Common Stock; and

(f) amendment, repeal or establishment of any provision of the Corporation's Certificate of Incorporation or these By-laws that could have an adverse effect upon the holders of the Class C Common Stock as a class which is different from the effect on all Corporation shareholders without regard to class.

(3) Capitalized terms used in this Section 2.8, to the extent not otherwise defined in these By-laws, shall have the meanings ascribed thereto in the Corporation's Certificate of Incorporation.

Section 2.09. Compensation of Directors. Each director shall be entitled to receive such compensation, if any, as may from time to time be fixed, for each meeting of the Board or any committee thereof, regular or special, attended by him. Directors may also be reimbursed by the Corporation for all reasonable expenses incurred in traveling to and from the place of each meeting of the Board or any such committee.

Article 3. OFFICERS

Section 3.01. Number. The officers of the Corporation shall be a President, a Secretary, a Treasurer, and may include a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, one or more Division Vice Presidents, and such other officers as the Board of Directors may from time to time determine."

Section 3.02. Election and Term of Office. The officers of the Corporation shall be elected by the Board of Directors at its annual meeting, but the Board may elect officers or fill vacancies among the officers at any other meeting. So long as the Stockholders' Agreement (as defined in Section 2.01) is in effect, the officers of the Corporation shall be elected from time to time by the Management Directors subject to the reasonable approval of the Intergraph Directors. Subject to earlier termination of office, each officer shall hold office for one year and until his successor shall have been elected and qualified.

Section 3.03. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, or to the President, or to the Secretary of the Corporation. Any such resignation shall take effect at the time of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.04. Removal. Any officer elected by the Board of Directors may be removed at any time by the vote of a majority of the Board of Directors.

Section 3.05. Chairman of the Board. If there is a Chairman of the Board, he shall preside at the meetings of the Board. Such Chairman shall also perform such other duties as may be specified by the Board from time to time and as do not conflict with the duties of the President.

Section 3.06. The President. The President shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation, subject, however, to the control of the Board of Directors. He shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the signing and execution thereof shall be delegated by the Board, to some other officer or agent of the Corporation; and, in general, he shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned to him by the Board.

Section 3.07. The Vice Presidents. In the absence or disability of the President or when so directed by the President, any Vice President designated by the Board of Directors may perform all the duties of the President, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President; provided, however, that no Vice President shall act as a member of or as chairman of any special committee of which the President is a member or chairman by designation or ex-officio, except when designated by the Board. The Vice Presidents shall perform such other duties as from time to time may be assigned to them respectively by the Board or the President.

Section 3.08. The Secretary. The Secretary shall record all the votes of the stockholders and of the directors and the minutes of the meetings of the stockholders and of the Board of Directors in a book or books to be kept for that purpose; he shall see that notices of meetings of the stockholders and the Board are given and that all records and reports are properly kept and filed by the Corporation as required by law; he shall be the custodian of the seal of the Corporation and shall see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and, in general, he shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned to him by the Board or the President.

Section 3.09. Assistant Secretaries. In the absence or disability of the Secretary or when so directed by the Secretary, any Assistant Secretary may perform all the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. The Assistant Secretaries shall perform such other duties as from time to time may be assigned to them respectively by the Board of Directors, the President, or the Secretary.

Section 3.10. The Treasurer. The Treasurer shall have charge of all receipts and disbursements of the Corporation and shall have or provide for the custody of its funds and securities; he shall have full authority to receive and give receipts for all money due and payable to the Corporation, and to endorse checks, drafts, and warrants in its name and on its behalf and to give full discharge for the same; he shall deposit all funds of the Corporation, except such as may be required for current use, in such banks or other places of deposit as the Board of

Directors may from time to time designate; and, in general, he shall perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board or the President.

Section 3.11. Assistant Treasurers. In the absence or disability of the Treasurer or when so directed by the Treasurer, any Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. The Assistant Treasurers shall perform such other duties as from time to time may be assigned to them respectively by the Board of Directors, the President or the Treasurer.

Section 3.12. Division Vice Presidents. The Division Vice Presidents shall perform such duties as from time to time may be assigned to them respectively by the Board of Directors, the President, or other Corporate officer to whom the Division Vice President reports. Notwithstanding anything in these By-Laws to the contrary, the Division Vice Presidents shall have none of the powers and authority generally given to Vice Presidents or other officers of the Corporation, except for powers and authority delegated by the Board of Directors, the President, or other Corporate officer to whom the Division Vice President reports."

Section 3.13. Compensation of Officers and Others. The compensation of all officers shall be fixed from time to time by the Board of Directors, or any committee or officer authorized by the Board so to do. No officer shall be precluded from receiving such compensation by reason of the fact he is also a director of the Corporation.

Article 4. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 4.01. Indemnification. Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving while a director or officer of the Corporation at the request of the Corporation as a director, officer, employee, agent, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall be indemnified by the Corporation against expenses (including attorneys' fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding to the full extent permissible under Delaware law.

Section 4.02. Advances. Any person claiming indemnification within the scope of Section 4.01 shall be entitled to advances from the Corporation for payment of the expenses of defending actions against such person in the manner and to the full extent permissible under Delaware law.

Section 4.03. Procedure. On the request of any person requesting indemnification under Section 4.01, the Board of Directors or a Committee thereof shall determine whether such indemnification is permissible or such determination shall be made by independent legal counsel

if the Board or Committee so directs or if the Board or Committee is not empowered by statute to make such determination.

Section 4.04. Other Rights. The indemnification and advancement of expenses provided by this Article 4 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses maybe entitled under any insurance or other agreement, vote of shareholders or disinterested directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 4.05. Insurance. The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these By Laws.

Section 4.06. Modification. The duties of the Corporation to indemnify and to advance expenses to a director or officer provided in this Article shall be in the nature of a contract between the Corporation and each such director or officer, and no amendment or repeal of any provision of this Article shall alter, to the detriment of such director or officer, the right of such person to the advancement of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal or termination.

Article 5. STOCK CERTIFICATES; TRANSFERS

Section 5.01. Stock Certificates. Stock Certificates shall be issued upon the request of any stockholder and shall be signed by the President or a Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation, but, to the extent permitted by law, such signatures may be facsimiles, engraved or printed.

Section 5.02. Transfer of Stocks. Transfers of stock shall be made only on the books of the Corporation by the owner thereof or by his attorney thereunto authorized.

Section 5.03. Closing of Transfer Books. The Board of Directors may close the stock transfer books of the Corporation for a period not exceeding fifty days preceding the date of any meeting of stockholders or the date for payment of any dividend or other distribution or the date for any allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period not exceeding fifty days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date, which shall not be more than sixty or less than ten days before the date of any meeting of stockholders, nor more than sixty days prior to any other action, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any dividend or other distribution, or any allotment of rights, or to exercise the rights

in respect of any change or conversion or exchange of capital stock, or to give any consent of stockholders for any purpose, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend or other distribution, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

Section 5.04. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of stock to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of stock, and shall not be bound to recognize any equitable or other claim to or interest in such stock on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 5.05. Transfer Agent and Registrar; Regulations. The Corporation may, if and whenever the Board of Directors so determines, maintain, in the State of Delaware, or any other state of the United States, one or more transfer offices or agencies, each in charge of a Transfer Agent designated by the Board, where the stock of the Corporation shall be transferable. If the Corporation maintains one or more such transfer offices or agencies, it also may, if and whenever the Board of Directors so determines, maintain one or more registry offices each in charge of a Registrar designated by the Board, where such stock shall be registered. No certificates for stock of the Corporation in respect of which a Transfer Agent shall have been designated shall be valid unless countersigned by such Transfer Agent, and no certificates for stock of the Corporation in respect of which both a Transfer Agent and a Registrar shall have been designated shall be valid unless countersigned by such Transfer Agent and registered by such Registrar. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of stock certificates.

Section 5.06. Lost, Destroyed and Mutilated Certificates. The Board of Directors, by standing resolution or by resolutions with respect to particular cases, may authorize the issue of new stock certificates in lieu of stock certificates lost, destroyed or mutilated, upon such terms and conditions as the Board may direct.

Article 6. AMENDMENTS

Section 6.01. By Stockholders or Directors. These By-laws may be amended or repealed at any regular meeting of the stockholders or directors, or at any special meeting thereof if notice of such amendment or repeal be contained in the notice of such special meeting. These By-laws shall be amended only pursuant to the vote of eighty percent of the outstanding shares of stock entitled to vote or by a majority vote of the directors, which majority, so long as the Stockholders' Agreement is in effect, shall include at least one vote of an Intergraph Director and one vote of a Management Director.

EXHIBIT 10.1

REVOLVING CREDIT

AND

SECURITY AGREEMENT

PNC BANK, NATIONAL ASSOCIATION
(AS AGENT)

WITH

BENTLEY SYSTEMS, INCORPORATED,
BENTLEY SOFTWARE, INC.
AND
ATLANTECH SOLUTIONS, INC.
(BORROWERS)

December 26, 2000

TABLE OF CONTENTS

REVOLVING CREDIT AND SECURITY AGREEMENT

This Revolving Credit and Security Agreement dated December 26, 2000 among Bentley Systems, Incorporated, a Delaware corporation ("Bentley"), Bentley Software, Inc., a Delaware corporation ("Bentley Software"), and Atlantech Solutions, Inc., a Delaware corporation ("Atlantech") (each a "Borrower" and collectively "Borrowers"), the financial institutions which are now or which hereafter become a party hereto (collectively, the "Lenders" and individually a "Lender") and PNC Bank, National Association ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent").

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Borrowers, Lenders and Agent hereby agree as follows:

I. DEFINITIONS.

1.1. Accounting Terms. As used in this Agreement, the Notes, or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined, shall have the respective meanings given to them under GAAP; provided, however, whenever such accounting terms are used for the purposes of determining compliance with financial covenants in this Agreement, such accounting terms shall be defined in accordance with GAAP as applied in preparation of the audited financial statements of Borrowers for the fiscal year ended December 31, 1999.

1.2. General Terms. For purposes of this Agreement the following terms shall have the following meanings:

"Accountants" shall have the meaning set forth in Section 9.6 hereof.

"Acquisition" shall mean Bentley's purchase of certain assets of Intergraph related to the Product Lines pursuant to the terms and conditions of the Acquisition Agreement.

"Acquisition Agreement" shall mean collectively, the Asset Purchase Agreement and all documents, instruments and agreements executed in connection therewith (including all exhibits and schedules thereto) dated as of December 22, 2000 among Intergraph, the other selling entities specified therein, Bentley Systems Europe BV and Bentley.

"Acquisition Conditions" shall mean the conditions set forth on Exhibit A attached hereto.

"Advances" shall mean and include the Revolving Advances and Letters of Credit.

"Affiliate" of any Person shall mean (a) any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (x) to vote 50% or more of the securities having ordinary voting power for the election of directors of such Person, or (y) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Alternate Base Rate" shall mean, for any day, a rate per annum equal to the higher of (i) the Base Rate in effect on such day and (ii) the Federal Funds Rate in effect on such day plus fifty (50) basis points.

"Authority" shall have the meaning set forth in Section 4.19(d).

"Base Rate" shall mean the base commercial lending rate of PNC as publicly announced to be in effect from time to time, such rate to be adjusted automatically, without notice, on the effective date of any change in such rate. This rate of interest is determined from time to time by PNC as a means of pricing some loans to its customers and is neither tied to any external rate of interest or index nor does it necessarily reflect the lowest rate of interest actually charged by PNC to any particular class or category of customers of PNC.

"Bentley Pledged Stock" shall mean 100% of the issued and outstanding shares of stock owned directly or indirectly by Bentley of US Companies and 66% of the issued and outstanding shares of stock owed directly or indirectly by Bentley of Foreign Companies.

"Blocked Accounts" shall have the meaning set forth in Section 4.15(h).

"Borrower" or "Borrowers" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Borrowing Base Certificate" shall mean a certificate duly executed by an officer of Borrowing Agent appropriately completed and in substantially the form of Exhibit A hereto.

"Borrowers on a consolidated basis" shall mean Bentley and its Subsidiaries.

"Borrowers' Account" shall have the meaning set forth in Section 2.8.

"Borrowing Agent" shall mean Bentley.

"BSI Australia" shall mean BSI Holdings Pty. Ltd., with its chief executive office located at 68 Dorcas Street, Southbank VIC 3006, Australia.

"BSI Australia Pledged Stock" shall mean 66% of the issued and outstanding shares of stock owned directly or indirectly by BSI Australia of Bentley System Pty. Ltd.

"BSI Netherlands" shall mean BSI Holdings, B.V., a Netherlands besloten vennotschap with its chief executive office located at Wegalaan 2, 2132 JC Hoofddorp, The Netherlands.

"BSI Netherlands Pledged Stock" shall mean 66% of the issued and outstanding shares of stock owned directly or indirectly by BSI Netherlands of Bentley Systems Europe, B.V.

"Business Day" shall mean any day other than Saturday or Sunday or a legal holiday

on which commercial banks are authorized or required by law to be closed for business in New York City, New York, or Philadelphia, Pennsylvania and, if the applicable Business Day relates to any Eurodollar Rate Loans, such day must also be a day on which dealings are carried on in the London interbank market.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq.

"Change of Control" shall mean the occurrence of any event (whether in one or more transactions) which results in a transfer of control of Bentley to a Person who is not an Original Owner. For purposes of this definition, "control of Bentley" shall mean the power, direct or indirect (x) to vote 50% or more of the securities having ordinary voting power for the election of directors of Bentley or (y) to direct or cause the direction of the management and policies of Bentley by contract or otherwise.

"Charges" shall mean all taxes, charges, fees, imposts, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including, without limitation, the Pension Benefit Guaranty Corporation or any environmental agency or superfund), upon the Collateral, any Borrower or any of its Affiliates.

"Chattel Paper" shall mean "chattel paper" as defined in the UCC.

"Citicorp" shall mean Citicorp USA, Inc.

"Claims Act" shall have the meaning set forth in subclause (i) of the definition of "Eligible Receivables."

"Closing Date" shall mean the date of this Agreement or such other date as may be agreed to by the parties hereto.

"Closing Fee" shall have the meaning set forth in Section 3.3(c).

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated thereunder.

"Collateral" shall mean and include all of each Borrower's:

(a) Receivables;

(b) Equipment;

(c) General Intangibles;

(d) Inventory;

(e) Investment Property;

(f) Chattel Paper;

(g) Instruments;

(h) Documents;

(i) Deposit Accounts;

(j) Real Property;

(k) Pledged Stock,

(l) Right, title and interest in and to (i) its respective goods and other property including, but not limited to, all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of each Borrower's rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lien or, including stoppage in transit, setoff, detinue, replevin, reclamation and repurchase; (iii) all additional amounts due to any Borrower from any Customer relating to the Receivables; (iv) other property, including warranty claims, relating to any goods securing this Agreement; (v) all of each Borrower's contract rights, rights of payment which have been earned under a contract right, instruments, documents, chattel paper, warehouse receipts, deposit accounts and money; (vi) if and when obtained by any Borrower, all real and personal property of third parties in which such Borrower has been granted a lien or security interest as security for the payment or enforcement of Receivables; and (vii) any other goods, personal property or real property now owned or hereafter acquired in which any Borrower has expressly granted a security interest or may in the future grant a security interest to Agent hereunder, or in any amendment or supplement hereto or thereto, or under any other agreement between Agent and any Borrower;

(m) all of each Borrower's ledger sheets, ledger cards, files, correspondence, records, books of account, business papers, computers, computer software (owned by any Borrower or in which it has an interest), computer programs, tapes, disks and documents relating to subclause (a) through (l) of this definition; and

(n) all proceeds and products of subclause (a) through (m) of this definition in whatever form, including, but not limited to: cash, deposit accounts (whether or not comprised solely of proceeds), certificates of deposit, insurance proceeds (including hazard, flood and credit insurance), negotiable instruments and other instruments for the payment of money, chattel paper, security agreements, documents, eminent domain proceeds, condemnation proceeds and tort claim proceeds.

"Commitment Percentage" of any Lender shall mean the percentage set forth below such Lender's name on the signature page hereof as same may be adjusted upon any assignment by a Lender pursuant to Section 16.3(b) hereof.

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and other third parties,

domestic or foreign, necessary to carry on any Borrower's business, including, without limitation, any Consents required under all applicable federal, state or other applicable law.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any Borrower, are treated as a single employer under Section 414 of the Internal Revenue Code.

"Customer" shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or contract right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Borrower, pursuant to which such Borrower is to deliver any personal property or perform any services.

"Default" shall mean an event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.1 hereof.

"Defaulting Lender" shall have the meaning set forth in Section 2.15(a) hereof.

"Deposit Account" shall mean "deposit account" as defined in the UCC.

"Depository Accounts" shall have the meaning set forth in Section 4.15(h) hereof.

"Documents" shall mean "documents" as defined in the UCC.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Domestic Non-Product Receivable" shall mean a Receivable generated by a Borrower's rendition of maintenance services, and owing from a Customer located in the United States.

"Domestic Product Receivable" shall mean a Receivable generated by a Borrower's sale or license of software or services (other than maintenance services) or rendition of consulting or training services, and owing from a Customer located in the United States.

"Domestic Rate Loan" shall mean any Advance that bears interest based upon the Alternate Base Rate.

"Early Termination Date" shall have the meaning set forth in Section 13.1 hereof.

"EBIT" shall mean for any period the sum of (i) net income (or loss) of Borrowers on a consolidated basis for such period (excluding extraordinary gains and losses), plus (ii) all interest expense of Borrowers on a consolidated basis for such period, plus (iii) all charges against income of Borrowers on a consolidated basis for such period for accrued federal, state and local taxes.

"EBITDA" shall mean for any period the sum of (i) EBIT for such period plus (ii) depreciation expenses for such period, plus (iii) amortization expenses for such period.

"Eligible Receivables" shall mean and include with respect to each Borrower (or in the case of Foreign Product Receivables, a Subsidiary of a Borrower), each Domestic Product Receivable, Domestic Non-Product Receivable, or Foreign Product Receivable of such Borrower or Subsidiary, as applicable, arising in the ordinary course of such Borrower's business and which Agent, in its sole but reasonable credit judgment in good faith, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent's first priority perfected security interest (except with respect to Foreign Product Receivables) and no other Lien (other than Permitted Encumbrances), and is evidenced by an invoice or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by any Borrower to an Affiliate of any Borrower (except if such Person has executed a no offset agreement acceptable to Agent) or to a Person controlled by an Affiliate of any Borrower;

(b) if a Domestic Product Receivable, it is due or unpaid more than 120 days past the original invoice date or 90 days past the due date; if a Domestic Non-Product Receivable, it is due or unpaid more than 90 days past the original invoice date or 60 days past the due date; if a Foreign Product Receivable, it is due or unpaid more than the later of 90 days past the original invoice date or 180 days past the shipment date;

(c) 50% or more of the Receivables from such Customer are not deemed Eligible Receivables hereunder;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;

(e) the Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, any petition which is filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

(f) with respect to Domestic Product Receivables, the sale is to a Customer that does not have a substantive presence or assets within the continental United States of America, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its sole but reasonable discretion;

(g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;

(h) Agent believes, in its sole but reasonable judgment, that collection of such

Receivable is insecure or that such Receivable may not be paid by reason of the Customer's financial inability to pay;

(i) the Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless either (a) the Receivable owing from such Customer is less than $10,000 (or such lesser amount as determined by Agent in its sole discretion), or (b) the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) ("Claims Act") or has otherwise complied with other applicable statutes or ordinances;

(j) the goods giving rise to such Receivable have not been shipped to the Customer or, except with respect to Domestic Non-Product Receivables, the services giving rise to such Receivable have not been performed by the applicable Borrower or the Receivable otherwise does not represent a final sale;

(k) the Receivables of the Customer exceed a credit limit determined by Agent, in its sole but reasonable discretion, to the extent such Receivable exceeds such limit;

(l) the Receivable is subject to any offset, credit or deduction outside of the ordinary course of business to the extent of such offset, credit or deduction; or subject to a defense, dispute, or counterclaim; or the Customer is also a creditor or supplier of a Borrower (unless such Customer has executed a no offset agreement in form reasonably acceptable to Agent), to the extent of the contra; or the Receivable is contingent in any respect or for any reason;

(m) the applicable Borrower has made any agreement with the Customer owing the Receivable for any deduction therefrom, except for discounts or allowances made in the ordinary course of business for prompt payment, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(n) any return, rejection or repossession of the merchandise has occurred or the rendition of services has been disputed; or

(o) such Receivable is not otherwise satisfactory to Agent as determined in good faith by Agent in the exercise of its discretion in a reasonable manner.

"Environmental Complaint" shall have the meaning set forth in Section 4.19(d) hereof.

"Environmental Laws" shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances, regulations and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

"Equipment" shall mean and include as to each Borrower all of such Borrower's goods (other than Inventory) whether now owned or hereafter acquired and wherever located including, without limitation, all equipment, machinery, apparatus, motor vehicles, fittings, furniture,

furnishings, fixtures, parts, accessories and all replacements and substitutions therefor or accessions thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and the rules and regulations promulgated thereunder.

"Eurodollar Applicable Margin" shall mean three hundred (300) basis points.

"Eurodollar Rate" shall mean for any Eurodollar Rate Loan for the then current Interest Period relating thereto the interest rate per annum determined by PNC by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate of interest determined by PNC in accordance with its usual procedures (which determination shall be conclusive absent manifest error) to be the average of the London interbank offered rates for U.S. Dollars quoted by the British Bankers' Association as set forth on Dow Jones Markets Service (formerly known as Telerate) (or appropriate successor or, if British Banker's Association or its successor ceases to provide such quotes, a comparable replacement determined by PNC) display page 3750 (or such other display page on the Dow Jones Markets Service system as may replace display page 3750) two (2) Business Days prior to the first day of such Interest Period for an amount comparable to such Eurodollar Rate Loan and having a borrowing date and a maturity comparable to such Interest Period by (ii) a number equal to 1.00 minus the Reserve Percentage. The Eurodollar Rate may also be expressed by the following formula:

$$\text{Eurodollar Rate} = \frac{\text{Average of London interbank offered rates quoted by BBA as shown on Dow Jones Markets Service display page 3750 or appropriate successor}}{\text{1.00 - Reserve Percentage}}$$

"Eurodollar Rate Loan" shall mean an Advance at any time that bears interest based on the Eurodollar Rate.

"Event of Default" shall mean the occurrence of any of the events set forth in Article X hereof.

"Exiting Lender" shall mean Wilmington Trust Company.

"Federal Funds Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day, the average of quotations for such day on such transactions received by PNC from three Federal funds brokers of recognized standing selected by PNC.

"Fixed Charge Coverage Ratio" shall mean and include, with respect to any fiscal period, the ratio of (a) EBITDA, minus unfunded capitalized expenditures and cash investments in unconsolidated Persons made during such period (excluding any VIECON internet initiative expenses, capitalized or operating, to the extent funded with cash equity during such period, from the Closing Date though and including March 31, 2001), minus distributions or dividends paid to any shareholder of Bentley during such period minus taxes paid in cash during such period to (b) all Senior Debt Payments plus all Intergraph Debt Payments during such period plus capitalized lease

payments made during such period, measured quarterly on a rolling four (4) quarter basis.

"Foreign Blocked Account" shall mean those certain Blocked Accounts maintained in Hoofdorp, Netherlands and Melbourne, Australia.

"Foreign Companies" shall mean collectively Bentley Canada, Inc., Bentley Systems de Mexico SA de CV, 9090-0952 Quebec Inc., Bentley Systems Brasil Ltda., GEOPAK TMS-UK, Bentley Systems UK IHC Ltd., and BSI Holdings Pty. Ltd.

"Foreign Currency" shall mean the lawful currency of any country or governmental authority other than the United States of America.

"Foreign Exchange Contract" shall mean a spot or forward foreign currency exchange contract entered into by Borrowers with PNC, Agent or a Lender.

"Foreign Product Receivable" shall mean a Receivable generated by a Borrower's or a Subsidiary's sale or license of software or services (other than maintenance services) or rendition of consulting or training services, and owing from a Customer located outside of the United States and the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its sole but reasonable discretion.

"Formula Amount" shall have the meaning set forth in Section 2.1(a).

"Future Acquired Company" shall mean a Person hereafter acquired by any Borrower as permitted under Section 7.1(a) hereof or a Person formed as permitted under Section 7.11 hereof.

"Future Acquired Company Loan Documents" shall mean collectively, a Joinder to Loan Agreement, UCC-1 financing statements, an Allonges to the Revolving Credit Note, financial statements, amended and/or additional Stock Pledge Documents and all other documents, agreements and instruments required by Agent to be executed and delivered to Agent by a Borrower and/or Future Acquired Company (as determined in Agent's sole and absolute discretion) and an opinion letter from Borrowers' counsel addressed to Agent (all documents in form and substance satisfactory to Agent and Agent's counsel).

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time.

"General Intangibles" shall mean and include as to each Borrower all of such Borrower's general intangibles, whether now owned or hereafter acquired including, without limitation, all choses in action, causes of action, corporate or other business records, inventions, designs, patents, patent applications, equipment formulations, manufacturing procedures, quality control procedures, trademarks, service marks, trade secrets, goodwill, copyrights, design rights, registrations, licenses, franchises, customer lists, tax refunds, tax refund claims, insurance refunds, insurance policy claims, computer programs, all claims under guaranties, security interests, letters of credit or other security held by or granted to such Borrower to secure payment of any of the Receivables by a Customer all rights of indemnification and all other intangible property of every kind and nature (other than Receivables).

"GEOPAK" shall mean GEOPAK Corporation.

"Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity exercising the legislative, judicial, regulatory or administrative functions of or pertaining to a government.

"Guarantors" shall mean collectively and jointly and severally, Gregory S. Bentley and Caroline M. Bentley, as husband and wife, Barry J. Bentley and Therese Bentley, as husband and wife, Keith A. Bentley and Corrine Bentley, as husband and wife, and each shall be referred to individually herein as a "Guarantor."

"Guaranty Agreements" shall mean those certain Guaranty and Suretyship Agreements from Guarantors to Agent.

"Hazardous Discharge" shall have the meaning set forth in Section 4.19(d) hereof.

"Hazardous Substance" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in CERCLA, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), RCRA, or any other applicable Environmental Law and in the regulations adopted pursuant thereto.

"Hazardous Wastes" shall mean all waste materials subject to regulation under CERCLA, RCRA or applicable state law, and any other applicable Federal and state laws now in force or hereafter enacted relating to hazardous waste disposal.

"Indebtedness" of a Person at a particular date shall mean all obligations of such Person which in accordance with GAAP would be classified upon a balance sheet as liabilities (except capital stock and surplus earned or otherwise) and in any event, without limitation by reason of enumeration, shall include all indebtedness, debt and other similar monetary obligations of such Person whether direct or guaranteed, and all premiums, if any, due at the required prepayment dates of such indebtedness, and all indebtedness secured by a Lien on assets owned by such Person, whether or not such indebtedness actually shall have been created, assumed or incurred by such Person. Any indebtedness of such Person resulting from the acquisition by such Person of any assets subject to any Lien shall be deemed, for the purposes hereof, to be the equivalent of the creation, assumption and incurring of the indebtedness secured thereby, whether or not actually so created, assumed or incurred.

"Ineligible Security" shall mean any security which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended.

"Instrument" shall mean "instrument" as defined in the UCC.

"Intellectual Property Documents" shall mean collectively, that certain Trademark Security Agreement from Bentley to Agent, that certain Trademark Security Agreement from Bentley Software to Agent, that certain Patent Security Agreement from Bentley to Agent, and that certain Copyright Security Agreement from Bentley to Agent, each dated as of the Closing Date and

each in form and substance satisfactory to Agent.

"Interest Period" shall mean the period provided for any Eurodollar Rate Loan pursuant to Section 2.2(b).

"Intergraph" shall mean Intergraph Corporation, a Delaware corporation with a chief executive office located at One Madison Industrial Park, Huntsville, Alabama 35894.

"Intergraph Debt" shall mean any and all Indebtedness owing to Intergraph pursuant to the Intergraph Note.

"Intergraph Debt Payments" shall mean and include all cash actually expended to make payments of principal and interest on the Intergraph Note.

"Intergraph Note" shall mean that certain Secured Note dated as of December 1, 2000 from Bentley to Intergraph, in the original principal amount of $11,087,112.

"Inventory" shall mean and include as to each Borrower all of such Borrower's now owned or hereafter acquired goods, merchandise and other personal property, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Borrower's business or used in selling or furnishing such goods, merchandise and other personal property, and all documents of title or other documents representing them.

"Investment Property" shall mean and include as to each Borrower, all of such Borrower's now owned or hereafter acquired securities (whether certificated or uncertificated), securities entitlements, securities accounts, commodities contracts and commodities accounts.

"Issuer" shall mean any Person who issues a Letter of Credit and/or accepts a draft pursuant to the terms hereof.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender.

"Lender Default" shall have the meaning set forth in Section 2.16(a) hereof.

"Letter of Credit Fees" shall have the meaning set forth in Section 3.2.

"Letters of Credit" shall have the meaning set forth in Section 2.9.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), Charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including, without limitation, any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction.

"Maintenance Receivables" shall mean any and all maintenance, license and other agreements and arrangements now or hereafter entered into by Bentley with customers of Bentley located in the United States for which revenues were included by Intergraph in the Schedule of Transferred Maintenance from time to time (as such term is used in the Acquisition Agreement) whereby Bentley agrees to, does or may grant license(s), provide maintenance, support, upgrades or similar services, rights or property, in each case only to the extent relating to any of the software products sold to Bentley by Intergraph and designated by Intergraph as Civil, Raster or Plotting and any derivatives, upgrades, supplements, variations, redesignations or modifications of any of them made by Bentley, together with all royalties, accounts, chattel paper, instruments, general intangibles and rights to payment and performance evidenced thereby, arising therefrom or related to any or all of the foregoing and any and all cash and non-cash proceeds (including, without limitation, insurance proceeds), products of and additions to and substitutions and replacements for, the foregoing, whether now or hereafter existing, arising or acquired.

"Material Adverse Effect" shall mean a material adverse effect on (a) the condition, operations, assets, business or prospects of the applicable Person or Persons, (b) Borrowers' ability to pay the Obligations in accordance with the terms thereof, (c) the value of the Collateral, or Agent's Liens on the Collateral or the priority of any such Lien or (d) the practical realization of the benefits of Agent's and each Lender's rights and remedies under this Agreement and the Other Documents.

"Maximum Loan Amount" shall mean $32,000,000.

"Monthly Advances" shall have the meaning set forth in Section 3.1 hereof.

"Mortgages" shall mean collectively, the mortgages on the owned Real Property securing the Obligations together with all extensions, renewals, amendments, supplements, modifications, substitutions and replacements thereto and thereof.

"Mortgage Documents" shall mean the Mortgages, the Environmental Indemnification Agreement with respect to each owned Real Property and the Assignment of Rents and Leases with respect to each owned Real Property.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"Net Worth" at a particular date, shall mean all amounts which would be included under shareholders' equity on a balance sheet of the Borrowers on a consolidated basis determined in accordance with GAAP as at such date.

"Non-Defaulting Lender" shall have the meaning set forth in Section 2.15(b) hereof.

"Notes" shall have the meaning set forth in Section 2.1(a).

"Obligations" shall mean and include any and all loans, advances, debts, liabilities, obligations, covenants and duties owing by Borrowers to Lenders or Agent or to any other direct or indirect subsidiary or affiliate of Agent or any Lender of any kind or nature, present or future (including, without limitation, any interest accruing thereon after maturity, or after the filing of any

petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to any Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether or not evidenced by any note, guaranty or other instrument, whether arising under any agreement, instrument or document, (including, without limitation, this Agreement and the Other Documents) whether or not for the payment of money, whether arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, under any interest or currency swap, future, option or other similar agreement (including, without limitation, pursuant to a Foreign Exchange Contract), or in any other manner, whether arising out of overdrafts or deposit or other accounts or electronic funds transfers (whether through automated clearing houses or otherwise) or out of the Agent's or any Lenders non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository transfer check or other similar arrangements, whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, including, but not limited to, any and all of any Borrower's Indebtedness and/or liabilities under this Agreement, the Other Documents or under any other agreement between Agent or Lenders and any Borrower and any amendments, extensions, renewals or increases and all costs and expenses of Agent and any Lender incurred in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing, including but not limited to reasonable attorneys' fees and expenses and all obligations of any Borrower to Agent or Lenders to perform acts or refrain from taking any action.

"Original Owners" shall mean the Persons listed on Schedule A attached hereto.

"Other Documents" shall mean the Mortgage Documents, the Guaranty Agreements, the Notes, the Questionnaire, the Intellectual Property Documents, the Warrants, the Stock Pledge Documents, any document, instrument or agreement entered into in connection with a Foreign Exchange Contact, and any and all other agreements, instruments and documents, including, without limitation, guaranties, pledges, powers of attorney, consents, and all other writings heretofore, now or hereafter executed by any Borrower or any Guarantor and/or delivered to Agent or any Lender in respect of the transactions contemplated by this Agreement.

"Overadvance Amount" shall mean $7,500,000 as of the Closing Date, and such amount to decrease on a quarterly basis in an amount equal to $1,250,000, commencing on March 31, 2001 and continuing on the last day of each fiscal quarter thereafter, and the Overadvance shall equal $0 on or after June 30, 2002.

"Parent" of any Person shall mean a corporation or other entity owning, directly or indirectly at least 50% of the shares of stock or other ownership interests having ordinary voting power to elect a majority of the directors of the Person, or other Persons performing similar functions for any such Person.

"Participant" shall mean each Person who shall be granted the right by any Lender to participate in any of the Advances and who shall have entered into a participation agreement in form and substance satisfactory to such Lender.

"Payment Office" shall mean initially Two Tower Center Boulevard, East Brunswick, New Jersey 08816; thereafter, such other office of Agent, if any, which it may designate

by notice to Borrowing Agent and to each Lender to be the Payment Office.

"Permitted Encumbrances" shall mean (a) Liens in favor of Agent for the benefit of Agent and Lenders; (b) Liens for taxes, assessments or other governmental charges not delinquent or being contested in good faith and by appropriate proceedings and with respect to which proper reserves have been taken by Borrowers or a Borrower's Subsidiary; provided, that, the Lien shall have no effect on the priority of the Liens in favor of Agent or the value of the assets in which Agent has such a Lien and a stay of enforcement of any such Lien shall be in effect; (c) Liens disclosed in the financial statements referred to in Section 5.5, the existence of which Agent has consented to in writing; (d) deposits or pledges to secure obligations under worker's compensation, social security or similar laws, or under unemployment insurance; (e) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of any Borrower's business; (f) judgment Liens that have been stayed or bonded and mechanics', easements, carriers', workers', landlords', warehousemans', materialmen's or other like Liens arising in the ordinary course of any Borrower's or a Borrower's Subsidiary, business with respect to obligations which are not due or which are being contested in good faith by the applicable Borrower or a Borrower's Subsidiary; (g) Liens placed upon fixed assets hereafter acquired to secure a portion of the purchase price thereof, provided that (x) any such lien shall not encumber any other property of the Borrowers or a Borrower's Subsidiary and (y) the aggregate amount of Indebtedness secured by such Liens incurred as a result of such purchases during any fiscal year shall not exceed the amount provided for in Section 7.6; and (h) Liens disclosed on Schedule 1.2; and (i) liens in favor of Intergraph on the Maintenance Receivables.

"Person" shall mean any foreign or domestic individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or government (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Borrowers or any member of the Controlled Group or any such Plan to which any Borrower or any member of the Controlled Group is required to contribute on behalf of any of its employees.

"Pledged Stock" shall mean collectively, the Bentley Pledged Stock, BSI Netherlands Pledged Stock and BSI Australia Pledged Stock.

"PNC" shall mean PNC Bank, National Association.

"Pro Forma Balance Sheet" shall have the meaning set forth in Section 5.5(a) hereof.

"Pro Forma Financial Statements" shall have the meaning set forth in Section 5.5(b) hereof.

"Product Lines" shall mean the Civil, Raster and Plotting product lines.

"Projections" shall have the meaning set forth in Section 5.5(b) hereof.

"Purchasing Lender" shall have the meaning set forth in Section 16.3(c) hereof.

"Qualified Acquisition" shall mean an acquisition under Section 7.1(a) hereof by any Borrower or Subsidiary which satisfies all of the following requirements: (a) no Default or Event of Default exists hereunder or would exist after giving effect to such acquisition after the consolidation of the most recent financial statements for the prior twelve (12) month period of Bentley for the purpose of measuring financial covenant compliance under this Agreement; (b) each Future Acquired Company organized in the United States becomes a Borrower and executes and delivers to Agent all Future Acquired Company Loan Documents and Agent shall have a first priority Lien on all of existing or future property of such Future Acquired Company; (c) all lien searches (performed at Borrowers' cost), corporate resolutions, corporate documents and opinions reasonably required by Agent are delivered to Agent; (d) revised or supplemented Schedules to this Agreement reflecting the additional new Borrower(s) are delivered to Agent; (e) all property of the Future Acquired Company is free and clear of any Liens other than the Lien of Agent and any Permitted Encumbrances; (f) any and all Seller Debt incurred in such acquisition is subordinated debt upon terms and conditions and subject to documentation acceptable to Agent; (g) the cash portion of each acquisition purchase price does not exceed $2,000,000 and in the aggregate cash and Seller Debt portion of the acquisition purchase price for all such acquisitions during any fiscal year does not exceed $5,000,000 (less any amounts spent by Borrowers during such year for investments under section 7.4(g); (h) the acquisition conditions (including the conditions set forth on Exhibit B attached hereto) have been fully satisfied (as determined by Agent in its sole and absolute and commercially reasonable discretion); (i) Borrowers shall have given Agent and Lenders thirty (30) days written notice prior to the consummation of such acquisition; and (j) Borrowers have an Undrawn Availability of at least $4,000,000 after giving effect to such acquisition.

"Questionnaire" shall mean the Perfection Certificate provided by Borrowers and delivered to Agent.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all of each Borrower's right, title and interest in and to the owned and leased premises identified on Schedule 4.19 hereto.

"Receivables" shall mean and include, as to each Borrower and Subsidiary of a Borrower (as applicable), all of such Person's accounts, contract rights, instruments (including those evidencing indebtedness owed to such Person by their Affiliates and including the Maintenance Receivables), documents, chattel paper, general intangibles relating to accounts, drafts and acceptances, and all other forms of obligations owing to such Person arising out of or in connection with the sale or lease of Inventory or the rendition of services, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Receivables Advance Rate" shall have the meaning set forth in Section 2.1(a) hereof.

"Release" shall have the meaning set forth in Section 5.7(c)(i) hereof.

"Required Lenders" shall mean Lenders holding at least 66.6% of the commitments

hereunder.

"Reserve Percentage" shall mean the maximum effective percentage in effect on any day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding.

"Revolving Advances" shall mean Advances made other than Letters of Credit.

"Revolving Credit Note" shall mean collectively, the promissory note(s) referred to in Section 2.1(a) hereof.

"Revolving Interest Rate" shall mean an interest rate per annum equal to (a) the Alternate Base Rate with respect to Domestic Rate Loans, and (b) the sum of the Eurodollar Rate plus the Eurodollar Applicable Margin with respect to Eurodollar Rate Loans; provided, however, at any time that the Overadvance Amount is greater than $0, the Revolving Interest Rate for an outstanding amount of Revolving Advances equal to the then existing Overadvance Amount shall be the per annum rate equal to the sum of the Alternate Base Rate plus one hundred fifty (150) basis points.

"Section 20 Subsidiary" shall mean the Subsidiary of the bank holding company controlling PNC, which Subsidiary has been granted authority by the Federal Reserve Board to underwrite and deal in certain Ineligible Securities.

"Seller Debt" shall mean indebtedness (including, without limitation, all earnouts, consulting payments owed under consulting agreement to any future owner of a Future Acquired Company and other contingent Indebtedness) of a Borrower to a seller of a Future Acquired Company arising out of an acquisition.

"Senior Debt Payments" shall mean and include all cash actually expended by Borrowers to make (a) interest payments on any Advances hereunder, plus, (b) payments for all fees, commissions, expenses and charges set forth herein and with respect to any Advances, plus (c) capitalized lease payments, plus (d) principal and interest payments with respect to any other Indebtedness for borrowed money, in each case excluding Seller Debt and Intergraph Debt Payments.

"Settlement Date" shall mean the Closing Date and thereafter Wednesday of each week unless such day is not a Business Day in which case it shall be the next succeeding Business Day.

"Standstill Agreement" shall mean that certain Standstill Agreement from Integraph to Agent (in form and substance satisfactory to Agent).

"Stock Pledge Documents" shall mean that certain Collateral Pledge Agreement from Bentley to Agent for the Bentley Pledged Stock, that certain Collateral Pledge Agreement from BSI Netherlands to Agent for the BSI Netherlands Pledged Stock, and that certain Collateral Pledge Agreement from BSI Australia to Agent for the BSI Australia Pledged Stock, each dated as of the Closing Date and in form and substance satisfactory to Agent.

"Subsidiary" shall mean a corporation or other entity of whose shares of stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person.

"Term" shall mean the Initial Term and each successive Renewal Term, if any.

"Toxic Substance" shall mean and include any material present on the Real Property or the Leasehold Interests which has been shown to have significant adverse effect on human health or which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. Sections 2601 et seq., applicable state law, or any other applicable Federal or state laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

"Transactions" shall have the meaning set forth in Section 5.5(a) hereof.

"Transferee" shall have the meaning set forth in Section 16.3(b) hereof.

"US Companies" shall mean collectively, Bentley Software, Atlantech and GEOPAK.

"UCC" shall mean the Uniform Commercial Code, as adopted in the Commonwealth of Pennsylvania.

"Undrawn Availability" at a particular date shall mean an amount equal to (a) the lesser of (i) the Formula Amount or (ii) the Maximum Loan Amount minus (b) the sum of (i) the outstanding amount of Advances plus (ii) all amounts due and owing to Borrowers' trade creditors which are outstanding beyond normal trade terms, plus (iii) fees and expenses under this Agreement for which Borrowers are liable but which have not been paid or charged to Borrowers' Account.

"Warrants" shall mean those certain Common Stock Purchase Warrants dated as of the Closing Date issued by Bentley to (a) PNC, as a Lender, having 640,844 shares of Bentley's common stock issuable thereunder and (b) Citicorp, as a Lender, having 347,446 of Bentley's common stock issuable thereunder, and certain Warrant Purchase Agreements between Bentley and PNC and between Bentley and Citicorp.

"Week" shall mean the time period commencing with the opening of business on a Wednesday and ending on the end of business the following Tuesday.

1.3. Uniform Commercial Code Terms. All terms used herein and defined in the UCC shall have the meaning given therein unless otherwise defined herein.

1.4. Certain Matters of Construction. The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or

agreements to which Agent is a party, including, without limitation, references to any of the Other Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.

II. ADVANCES, PAYMENTS.

2.1. Revolving Advances.

Subject to the terms and conditions set forth in this Agreement each Lender, severally and not jointly, will make Revolving Advances to Borrowers in aggregate amounts outstanding at any time equal to such Lender's Commitment Percentage of the lesser of (x) the Maximum Loan Amount less the aggregate amount of outstanding Letters of Credit or (y) an amount equal to the sum of:

(a) up to 85% of Eligible Receivables ("Receivables Advance Rate"), plus

(b) the Overadvance Amount, minus;

(c) the aggregate amount of outstanding Letters of Credit; minus

(d) such reserves as Agent may reasonably deem proper and necessary from time to time based upon Agent's determination (in its sole but reasonable discretion) that there has been an adverse change in Borrowers' credit or in the Collateral.

The amount derived from the sum of (x) Sections 2.1(a) plus (y) Section 2.1(b) minus (z) Section 2.1(c) at any time and from time to time shall be referred to as the "Formula Amount". Borrowers' obligation to repay the Revolving Advances shall be evidenced by the Revolving Credit Notes, substantially in the form attached hereto as Exhibit 2.1(a) ("Notes").

2.2. Procedure for Borrowing Advances.

(a) Borrowing Agent on behalf of any Borrower may notify Agent prior to 11:00 a.m. on a Business Day of a Borrower's request to incur, on that day, a Revolving Advance hereunder. Unless requested pursuant to Section 2.2(b) below, all Advances shall be Domestic Rate Loans. Should any amount required to be paid as interest hereunder, or as fees or other charges under this Agreement or any other related agreement with Agent or Lenders, or with respect to any other Obligation, become due, same shall be deemed a request for a Revolving Advance as of the date such payment is due, in the amount required to pay in full such interest, fee, charge or Obligation under this Agreement or any other agreement with Agent or Lenders, and such request shall be irrevocable. Notwithstanding anything to the contrary contained herein, Revolving Advances deemed to be requested pursuant to this Section 2.2(a) shall be made regardless of (i) the existence or continuance of any Default or Event of Default; (ii) the fact that the aggregate amount outstanding of all Revolving Advances after giving effect to such deemed request shall exceed the Maximum Loan Amount or the Formula Amount, or (iii) any other restrictions on the making of Revolving Advances contained herein.

(b) Notwithstanding the provisions of (a) above, in the event any Borrower desires to obtain a Eurodollar Rate Loan, Borrowing Agent shall give Agent at least three (3)

Business Days' prior written notice, specifying (i) the date of the proposed borrowing (which shall be a Business Day), (ii) the type of borrowing and the amount on the date of such Advance to be borrowed, which amount shall be in a minimum amount of $1,000,000 and in integral multiples of $500,000 thereafter, and (iii) the duration of the first Interest Period therefor. Interest Periods for Eurodollar Rate Loans shall be for one, two, or three months; provided, if an Interest Period would end on a day that is not a Business Day, it shall end on the next succeeding Business Day unless such day falls in the next succeeding calendar month in which case the Interest Period shall end on the next preceding Business Day. No Eurodollar Rate Loan shall be made available to Borrowers during the continuance of a Default or an Event of Default.

(c) Each Interest Period of a Eurodollar Rate Loan shall commence on the date such Eurodollar Rate Loan is made and shall end on such date as Borrowing Agent may elect as set forth in subsection (b)(iii) above provided that the exact length of each Interest Period shall be determined in accordance with the practice of the interbank market for offshore Dollar deposits and no Interest Period shall end after the last day of the Term. Borrowing Agent shall elect the initial Interest Period applicable to a Eurodollar Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(b) or by its notice of conversion given to Agent pursuant to Section 2.2(d), as the case may be. Borrowing Agent shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not less than three (3) Business Days prior to the last day of the then current Interest Period applicable to such Eurodollar Rate Loan. If Agent does not receive timely notice of the Interest Period elected by Borrowing Agent, Borrowers shall be deemed to have elected to convert to a Domestic Rate Loan subject to Section 2.2(d) hereinbelow.

(d) Provided that no Event of Default shall have occurred and be continuing, any Borrower may, on the last Business Day of the then current Interest Period applicable to any outstanding Eurodollar Rate Loan, or on any Business Day with respect to Domestic Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount provided that any conversion of a Eurodollar Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such Eurodollar Rate Loan. If a Borrower desires to convert a loan, Borrowing Agent shall give Agent not less than three (3) Business Days' prior written notice to convert from a Domestic Rate Loan to a Eurodollar Rate Loan or one (1) Business Day's prior written notice to convert from a Eurodollar Rate Loan to a Domestic Rate Loan, specifying the date of such conversion, the loans to be converted and if the conversion is from a Domestic Rate Loan to any other type of loan, the duration of the first Interest Period therefor. After giving effect to each such conversion, there shall not be outstanding more than five (5) Eurodollar Rate Loans, in the aggregate.

(e) At its option and upon three (3) Business Days' prior written notice, any Borrower may prepay the Eurodollar Rate Loans in whole at any time or in part from time to time, without premium or penalty, but with accrued interest on the principal being prepaid to the date of such repayment. Such Borrower shall specify the date of prepayment of Advances which are Eurodollar Rate Loans and the amount of such prepayment. In the event that any prepayment of a Eurodollar Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, such Borrower shall indemnify Agent and Lenders therefor in accordance with Section 2.2(f) hereof.

(f) Each Borrower shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may

sustain or incur as a consequence of any voluntary prepayment, any mandatory prepayment of any Eurodollar Rate Loans resulting from Revolving Advances exceeding the Formula Amount, voluntary conversion of or any default by any Borrower in the payment of the principal of or interest on any Eurodollar Rate Loan or failure by any Borrower to complete a borrowing of, a prepayment of or conversion of or to a Eurodollar Rate Loan after notice thereof has been given, including, but not limited to, any interest payable by Agent or Lenders to lenders of funds obtained by it in order to make or maintain its Eurodollar Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent or any Lender to Borrowing Agent shall be conclusive absent manifest error. Such certificate shall be delivered to Borrowing Agent within sixty (60) days of any such loss.

(g) Notwithstanding any other provision hereof, if any applicable law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for any Lender (for purposes of this subsection (g), the term "Lender" shall include any Lender and the office or branch where any Lender or any corporation or bank controlling such Lender makes or maintains any Eurodollar Rate Loans to make or maintain its Eurodollar Rate Loans), the obligation of Lenders to make Eurodollar Rate Loans hereunder, as the case may be, shall forthwith be cancelled and Borrowers shall, if any affected Eurodollar Rate Loans are then outstanding, promptly upon request from Agent, either pay all such affected Eurodollar Rate Loans or convert such affected Eurodollar Rate Loans into loans of another type. If any such payment or conversion of any Eurodollar Rate Loan is made on a day that is not the last day of the Interest Period applicable to such Eurodollar Rate Loan, Borrowers shall pay Agent, upon Agent's request, such amount or amounts as may be necessary to compensate Lenders for any loss or expense sustained or incurred by Lenders in respect of such Eurodollar Rate Loan as a result of such payment or conversion, including (but not limited to) any interest or other amounts payable by Lenders to lenders of funds obtained by Lenders in order to make or maintain such Eurodollar Rate Loan. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Lenders to Borrowing Agent shall be conclusive absent manifest error. Such certificate shall be delivered to Borrowing Agent within sixty (60) days of any such loss.

2.3. Disbursement of Advance Proceeds. All Advances shall be disbursed from whichever office or other place Agent may designate from time to time and, together with any and all other Obligations of Borrowers to Agent or Lenders, shall be charged to Borrowers' Account on Agent's books. During the Term, Borrowers may use the Revolving Advances by borrowing, prepaying and reborrowing, all in accordance with the terms and conditions hereof. The proceeds of each Revolving Advance requested by Borrowers or deemed to have been requested by Borrowers under Section 2.2(a) hereof shall, with respect to requested Revolving Advances to the extent Lenders make such Revolving Advances, be made available to the applicable Borrower on the day so requested by way of credit to such Borrower's operating account at PNC, or such other bank as Borrowing Agent may designate following notification to Agent, in immediately available federal funds or other immediately available funds or, with respect to Revolving Advances deemed to have been requested by any Borrower pursuant to the second sentence of Section 2.2, be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request.

2.4. INTENTIONALLY OMITTED.

2.5. Maximum Advances. The aggregate balance of Advances outstanding at any time shall not exceed the lesser of (a) Maximum Loan Amount or (b) the Formula Amount.

2.6. Repayment of Advances.

(a) The Revolving Advances and (except to the extent otherwise required hereunder to be paid sooner) all other Obligations shall be due and payable in full on the last day of the Term subject to earlier prepayment as herein provided.

(b) Each Borrower recognizes that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received. In consideration of Agent's agreement to conditionally credit Borrowers' Account as of the Business Day on which Agent receives those items of payment, each Borrower agrees that, in computing the charges under this Agreement, all items of payment shall be deemed applied by Agent on account of the Obligations one (1) Business Day after the Business Day Agent receives such payments via wire transfer or electronic depository check. Agent is not, however, required to credit Borrowers' Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge Borrowers' Account for the amount of any item of payment which is credited and thereafter returned to Agent unpaid.

(c) All payments of principal, interest and other amounts payable hereunder, or under any of the Other Documents shall be made to Agent at the Payment Office not later than 1:00 P.M. (New York Time) on the due date therefor in lawful money of the United States of America in federal funds or other funds immediately available to Agent. Agent shall have the right to effectuate payment on any and all Obligations due and owing hereunder by charging Borrowers' Account or by making Advances as provided in Section 2.2 hereof.

(d) Borrowers shall pay principal, interest, and all other amounts payable hereunder, or under any related agreement, without any deduction whatsoever, including, but not limited to, any deduction for any setoff or counterclaim.

2.7. Repayment of Excess Advances. The aggregate balance of Advances outstanding at any time in excess of the maximum amount of Advances permitted hereunder shall be immediately due and payable without the necessity of any demand, at the Payment Office, whether or not a Default or Event of Default has occurred.

2.8. Statement of Account. Agent shall maintain, in accordance with its customary procedures, a loan account ("Borrowers' Account") in the name of Borrowers in which shall be recorded the date and amount of each Advance made by Agent and the date and amount of each payment in respect thereof; provided, however, the failure by Agent to record the date and amount of any Advance shall not adversely affect Agent or any Lender. Each month, Agent shall send to Borrowing Agent a statement showing the accounting for the Advances made, payments made or credited in respect thereof, and other transactions between Agent and Borrowers, during such month. The monthly statements shall be deemed correct and binding upon Borrowers in the absence of manifest error and shall constitute an account stated between Lenders and Borrowers unless Agent receives a written statement of Borrowers' specific exceptions thereto within thirty (30) days after such statement is received by Borrowing Agent. The records of Agent with respect to the loan account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.9. Letters of Credit. Subject to the terms and conditions hereof, Agent shall issue or cause the issuance of Letters of Credit ("Letters of Credit") on behalf of any Borrower; provided,

however, that Agent will not be required to issue or cause to be issued any Letters of Credit to the extent that the face amount of such Letters of Credit would then cause the sum of (i) the outstanding Revolving Advances plus (ii) outstanding Letters of Credit to exceed the lesser of (x) the Maximum Loan Amount or (y) the Formula Amount. The maximum amount of outstanding Letters of Credit shall not exceed $4,000,000 in the aggregate at any time. All disbursements or payments related to Letters of Credit shall be deemed to be Domestic Rate Loans consisting of Revolving Advances and shall bear interest at the Revolving Interest Rate for Domestic Rate Loans; Letters of Credit that have not been drawn upon shall not bear interest.

2.10. Issuance of Letters of Credit.

(a) Borrowing Agent, on behalf of any Borrower or Subsidiary, may request Agent to issue or cause the issuance of a Letter of Credit by delivering to Agent at the Payment Office, Agent's form of Letter of Credit Application (the "Letter of Credit Application") completed to the satisfaction of Agent; and, such other certificates, documents and other papers and information as Agent may reasonably request. Borrowing Agent, on behalf of any Borrower or Subsidiary, also has the right to give instructions and make agreements with respect to any application, any applicable letter of credit and security agreement, any applicable letter of credit reimbursement agreement and/or any other applicable agreement, any letter of credit and the disposition of documents, disposition of any unutilized funds, and to agree with Agent upon any amendment, extension or renewal of any Letter of Credit.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts or acceptances of usance drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein and (ii) have an expiry date not later than one (1) year after such Letter of Credit's date of issuance and in no event later than the last day of the Term. Each Letter of Credit shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and any amendments or revision thereof adhered to by the Issuer and, to the extent not inconsistent therewith, the laws of the Commonwealth of Pennsylvania .

(c) Agent shall use its reasonable efforts to notify Lenders of the request by Borrowing Agent for a Letter of Credit hereunder.

2.11. Requirements For Issuance of Letters of Credit.

(a) In connection with the issuance of any Letter of Credit, Borrowers shall indemnify, save and hold Agent, each Lender and each Issuer harmless from any loss, cost, expense or liability arising from a third party claim, including, without limitation, payments made by Agent, any Lender or any Issuer and expenses and reasonable attorneys' fees incurred by Agent, any Lender or Issuer arising out of, or in connection with, any Letter of Credit to be issued or created for any Borrower or Subsidiary. Borrowers shall be bound by Agent's or any Issuer's regulations and good faith interpretations of any Letter of Credit issued or created for Borrowers' Account, although this interpretation may be different from its own; and, neither Agent, nor any Lender, nor any Issuer nor any of their correspondents shall be liable for any error, negligence, or mistakes, whether of omission or commission, in following Borrowing Agent's or any Borrower's instructions or those contained in any Letter of Credit, or of any modifications, amendments or supplements thereto or in issuing or paying any Letter of Credit, except for Agent's, any Lender's, any Issuer's or such correspondents' gross negligence or willful misconduct.

(b) Borrowing Agent shall authorize and direct any Issuer to name the applicable Borrower or Subsidiary as the "Applicant" or "Account Party" of each Letter of Credit. If Agent is not the Issuer of any Letter of Credit, Borrowing Agent shall authorize and direct the Issuer to deliver to Agent all instruments, documents, and other writings and property received by the Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit.

(c) In connection with all Letters of Credit issued or caused to be issued by Agent under this Agreement, each Borrower hereby appoints Agent, or its designee, as its attorney, with full power and authority to, after and during the continuance of an Event of Default (i) sign and/or endorse such Borrower's name upon any warehouse or other receipts, letter of credit applications and acceptances; (ii) sign such Borrower's name on bills of lading; (iii) clear Inventory through the United States of America Customs Department ("Customs") in the name of such Borrower or Agent or Agent's designee, and to sign and deliver to Customs officials powers of attorney in the name of such Borrower for such purpose; and (iv) complete in such Borrower's name or Agent's, or in the name of Agent's designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent's or its attorney's gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

(d) Each Lender shall to the extent of the percentage amount equal to the product of such Lender's Commitment Percentage times the aggregate amount of all unreimbursed reimbursement obligations arising from disbursements made or obligations incurred with respect to the Letters of Credit be deemed to have irrevocably purchased an undivided participation in each such unreimbursed reimbursement obligation. In the event that at the time a disbursement is made the unpaid balance of Revolving Advances exceeds or would exceed, with the making of such disbursement, the lesser of the Maximum Loan Amount or the Formula Amount, and such disbursement is not reimbursed by Borrowers within two (2) Business Days, Agent shall promptly notify each Lender and upon Agent's demand each Lender shall pay to Agent such Lender's proportionate share of such unreimbursed disbursement together with such Lender's proportionate share of Agent's unreimbursed costs and expenses relating to such unreimbursed disbursement. Upon receipt by Agent of a repayment from any Borrower of any amount disbursed by Agent for which Agent had already been reimbursed by Lenders, Agent shall deliver to each Lender that Lender's pro rata share of such repayment. Each Lender's participation commitment shall continue until the last to occur of any of the following events: (A) Agent ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (B) no Letter of Credit issued hereunder remains outstanding and uncancelled or (C) all Persons (other than the applicable Borrower) have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.12. Additional Payments. Any sums expended by Agent or any Lender due to any Borrower's failure to perform or comply with its obligations under this Agreement or any Other Document including, without limitation, any Borrower's obligations under Sections 4.2, 4.4, 4.12, 4.13, 4.14 and 6.1 hereof, may be charged to Borrowers' Account as a Revolving Advance and added to the Obligations.

2.13. Manner of Borrowing and Payment.

(a) Each borrowing of Revolving Advances shall be advanced according to the applicable Commitment Percentages of Lenders.

(b) Each payment (including each prepayment) by Borrowers on account of the principal of and interest on the Revolving Advances, shall be applied to the Revolving Advances pro rata according to the applicable Commitment Percentages of Lenders. Except as expressly provided herein, all payments (including prepayments) to be made by any Borrower on account of principal, interest and fees shall be made without set off or counterclaim and shall be made to Agent on behalf of the Lenders to the Payment Office, in each case on or prior to 1:00 P.M., New York time, in Dollars and in immediately available funds.

(c) (i) Notwithstanding anything to the contrary contained in Sections 2.13(a) and (b) hereof, commencing with the first Business Day following the Closing Date, each borrowing of Revolving Advances shall be advanced by Agent and each payment by any Borrower on account of Revolving Advances shall be applied first to those Revolving Advances advanced by Agent. On or before 1:00 P.M., New York time, on each Settlement Date commencing with the first Settlement Date following the Closing Date, Agent and Lenders shall make certain payments as follows: (I) if the aggregate amount of new Revolving Advances made by Agent during the preceding Week (if any) exceeds the aggregate amount of repayments applied to outstanding Revolving Advances during such preceding Week, then each Lender shall provide Agent with funds in an amount equal to its applicable Commitment Percentage of the difference between (w) such Revolving Advances and (x) such repayments and (II) if the aggregate amount of repayments applied to outstanding Revolving Advances during such Week exceeds the aggregate amount of new Revolving Advances made during such Week, then Agent shall provide each Lender with funds in an amount equal to its applicable Commitment Percentage of the difference between (y) such repayments and (z) such Revolving Advances.

(ii) Each Lender shall be entitled to earn interest at the applicable Revolving Interest Rate on outstanding Advances which it has funded.

(iii) Promptly following each Settlement Date, Agent shall submit to each Lender a certificate with respect to payments received and Advances made during the Week immediately preceding such Settlement Date. Such certificate of Agent shall be conclusive in the absence of manifest error.

(d) If any Lender or Participant (a "benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Lender so purchasing a portion of another Lender's Advances may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as

fully as if such Lender were the direct holder of such portion.

(e) Unless Agent shall have been notified by telephone, confirmed in writing, by any Lender that such Lender will not make the amount which would constitute its applicable Commitment Percentage of the Advances available to Agent, Agent may (but shall not be obligated to) assume that such Lender shall make such amount available to Agent on the next Settlement Date and, in reliance upon such assumption, make available to Borrowers a corresponding amount. Agent will promptly notify Borrowers of its receipt of any such notice from a Lender. If such amount is made available to Agent on a date after such next Settlement Date, such Lender shall pay to Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate (computed on the basis of a year of 360 days) during such period as quoted by Agent, times (ii) such amount, times (iii) the number of days from and including such Settlement Date to the date on which such amount becomes immediately available to Agent. A certificate of Agent submitted to any Lender with respect to any amounts owing under this paragraph (e) shall be conclusive, in the absence of manifest error. If such amount is not in fact made available to Agent by such Lender within three (3) Business Days after such Settlement Date, Agent shall be entitled to recover such an amount, with interest thereon at the rate per annum then applicable to such Revolving Advances hereunder, on demand from Borrowers; provided, however, that Agent's right to such recovery shall not prejudice or otherwise adversely affect Borrowers' rights (if any) against such Lender.

2.14. Use of Proceeds. Borrowers shall apply the proceeds of Advances to (i) repay existing indebtedness owed to Exiting Lender, (ii) to consummate the Acquisition, (iii) pay fees and expenses relating to this transaction, and (iv) to provide for their working capital needs.

2.15. Defaulting Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender (x) has refused (which refusal constitutes a breach by such Lender of its obligations under this Agreement) to make available its portion of any Advance or (y) notifies either Agent or Borrowing Agent that it does not intend to make available its portion of any Advance (if the actual refusal would constitute a breach by such Lender of its obligations under this Agreement) (each, a "Lender Default"), all rights and obligations hereunder of such Lender (a "Defaulting Lender") as to which a Lender Default is in effect and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.15 while such Lender Default remains in effect.

(b) Advances shall be incurred pro rata from Lenders ("Non-Defaulting Lenders") which are not Defaulting Lenders based on their respective Commitment Percentages, and no Commitment Percentage of any Lender or any pro rata share of any Advances required to be advanced by any Lender shall be increased as a result of such Lender Default. Amounts received in respect of principal of any type of Advances shall be applied to reduce the applicable Advances of each Lender pro rata based on the aggregate of the outstanding Advances of that type of all Lenders at the time of such application; provided, that, such amount shall not be applied to any Advances of a Defaulting Lender at any time when, and to the extent that, the aggregate amount of Advances of any Non-Defaulting Lender exceeds such Non-Defaulting Lender's Commitment Percentage of all Advances then outstanding.

(c) A Defaulting Lender shall not be entitled to give instructions to Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement and the Other Documents. All amendments, waivers and other modifications of this Agreement and the Other

Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of "Required Lenders", a Defaulting Lender shall be deemed not to be a Lender and not to have Advances outstanding.

(d) Other than as expressly set forth in this Section 2.15, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent) and the other parties hereto shall remain unchanged. Nothing in this Section 2.15 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which any Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e) In the event a Defaulting Lender retroactively cures to the satisfaction of Agent the breach which caused a Lender to become a Defaulting Lender, such Defaulting Lender shall no longer be a Defaulting Lender and shall be treated as a Lender under this Agreement.

III. INTEREST AND FEES.

3.1. Interest. Interest on Advances shall be payable in arrears on the first day of each month with respect to Domestic Rate Loans and, with respect to Eurodollar Rate Loans, at the end of each Interest Period. Interest charges shall be computed on the actual principal amount of Advances (other than outstanding Letters of Credit) outstanding during the month (the "Monthly Advances") at a rate per annum equal to the applicable Revolving Interest Rate. Whenever, subsequent to the date of this Agreement, the Alternate Base Rate is increased or decreased, the applicable Revolving Interest Rate for Domestic Rate Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Alternate Base Rate during the time such change or changes remain in effect. The Eurodollar Rate shall be adjusted with respect to Eurodollar Rate Loans without notice or demand of any kind on the effective date and to the extent of any change in the Reserve Percentage as of such effective date. Upon and after the occurrence of an Event of Default and during the continuation thereof, the Obligations shall bear interest at the Revolving Interest Rate plus two hundred (200) basis points per annum, as applicable ("Default Rate").

3.2. Letter of Credit Fees.

(a) Borrowers shall pay (x) to Agent, for the benefit of Lenders, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by the Eurodollar Applicable Margin per annum, such fees to be calculated on the basis of a 360-day year for the actual number of days elapsed and to be payable monthly in arrears on the first day of each month and on the last day of the Term and (y) to the Issuer, any and all fees and expenses as agreed upon by the Issuer and the Borrowing Agent in connection with any Letter of Credit, including, without limitation, in connection with the opening, amendment or renewal of any such Letter of Credit and any acceptances created thereunder and shall reimburse Agent for any and all fees and expenses, if any, paid by Agent to the Issuer (all of the foregoing fees, the "Letter of Credit Fees"). All such charges shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or proration upon the termination of this Agreement for any reason. Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the

Issuer's prevailing charges for that type of transaction. All Letter of Credit Fees payable hereunder shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or proration upon the termination of this Agreement for any reason.

(b) Upon the occurrence and during the continuance of an Event of Default or upon the termination of this Agreement, upon demand, Borrowers will cause cash to be deposited and maintained in an account with Agent, as cash collateral, in an amount equal to 105% of the outstanding Letters of Credit, and each Borrower hereby irrevocably authorizes Agent, in its discretion, on such Borrower's behalf and in such Borrower's name, to open such an account and to make and maintain deposits therein, or in an account opened by such Borrower, in the amounts required to be made by such Borrower, out of the proceeds of Receivables or other Collateral or out of any other funds of such Borrower coming into any Lender's possession at any time. Agent will invest such cash collateral (less applicable reserves) in such short-term money-market items as to which Agent and such Borrower mutually agree and the net return on such investments shall be credited to such account and constitute additional cash collateral. No Borrower may withdraw amounts credited to any such account except upon payment and performance in full of all Obligations and termination of this Agreement.

3.3. Fees.

(a) Facility Fee. If, for any month during the Term, the average daily unpaid balance of the Revolving Advances and the average daily outstanding balance Letters of Credit for each day of such month does not equal the Maximum Loan Amount, then Borrowers shall pay to Agent, for the ratable benefit of Lenders, a fee at a rate equal to 0.375% per annum on the amount by which the Maximum Loan Amount exceeds such average daily unpaid balance. Such fee shall be payable to Agent in arrears on the last Business Day of each month.

(b) Collateral Evaluation Fee. Borrowers shall pay Agent a collateral evaluation fee equal to $3,500 per month commencing on the first day of the month following the Closing Date and on the first day of each month thereafter during the Term. The collateral evaluation fee shall be deemed earned in full on the date when same is due and payable hereunder and shall not be subject to rebate or proration upon termination of this Agreement for any reason.

(c) Closing Fee. Borrowers shall pay to Agent a $500,000 non-refundable closing fee on the Closing Date ("Closing Fee"), less amounts previously paid by Borrowers to Agent.

(d) Collateral Monitoring Fee. Borrowers shall pay to Agent on the first day of each month following any month in which Agent performs any collateral monitoring, a collateral monitoring fee in an amount equal to $750 per day for each person performing such examination or analysis, plus all costs and disbursements actually incurred by Agent in the performance of such examination or analysis.

3.4. Computation of Interest and Fees. Interest and fees hereunder shall be computed on the basis of a year of 360 days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Revolving Interest Rate during such extension.

3.5. Maximum Charges. In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by Borrowers, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate.

3.6. Increased Costs. In the event that any applicable law, treaty or governmental regulation, or any change therein or in the interpretation or application thereof, or compliance by any Lender (for purposes of this Section 3.6, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) and the office or branch where Agent or any Lender (as so defined) makes or maintains any Eurodollar Rate Loans with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, shall:

(a) subject Agent or any Lender to any tax of any kind whatsoever with respect to this Agreement or any Other Document or change the basis of taxation of payments to Agent or any Lender of principal, fees, interest or any other amount payable hereunder or under any Other Documents (except for changes in the rate of tax on the overall net income of Agent or any Lender);

(b) impose, modify or hold applicable any reserve, special deposit, assessment or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of Agent or any Lender, including (without limitation) pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on Agent or any Lender or the London interbank Eurodollar market any other condition with respect to this Agreement or any Other Document;

and the result of any of the foregoing is to increase the cost to Agent or any Lender of making, renewing or maintaining its Advances hereunder by an amount that Agent or such Lender deems to be material or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances by an amount that Agent or such Lender deems to be material, then, in any case Borrowers shall promptly pay Agent or such Lender, upon its demand, such additional amount as will compensate Agent or such Lender for such additional cost or such reduction, as the case may be, provided that the foregoing shall not apply to increased costs which are reflected in the Eurodollar Rate, as the case may be. Agent or such Lender shall certify the amount of such additional cost or reduced amount to Borrowers, and such certification shall be conclusive absent manifest error.

3.7. Basis For Determining Eurodollar Interest Rate Inadequate or Unfair. In the event that Agent or any Lender shall have determined that reasonable means do not exist for ascertaining the Eurodollar Rate applicable pursuant to Section 2.2 hereof for any Interest Period; then Agent shall give Borrowing Agent prompt written, telephonic or telegraphic notice of such determination. If such notice is given, (i) any such requested Eurodollar Rate Loan shall be made as a Domestic Rate Loan, unless Borrowing Agent shall notify Agent no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the date of such proposed borrowing, that its request for such borrowing shall be cancelled or made as an unaffected type of Eurodollar Rate Loan, (ii) any Domestic Rate Loan or Eurodollar Rate Loan which was to have been converted to an affected type

of Eurodollar Rate Loan shall be continued as or converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the proposed conversion, shall be maintained as an unaffected type of Eurodollar Rate Loan, and (iii) any outstanding affected Eurodollar Rate Loans shall be converted into a Domestic Rate Loan, or, if Borrowing Agent shall notify Agent, no later than 10:00 a.m. (New York City time) two (2) Business Days prior to the last Business Day of the then current Interest Period applicable to such affected Eurodollar Rate Loan, shall be converted into an unaffected type of Eurodollar Rate Loan, on the last Business Day of the then current Interest Period for such affected Eurodollar Rate Loans. Until such notice has been withdrawn, Lenders shall have no obligation to make an affected type of Eurodollar Rate Loan or maintain outstanding affected Eurodollar Rate Loans and no Borrower shall have the right to convert a Domestic Rate Loan or an unaffected type of Eurodollar Rate Loan into an affected type of Eurodollar Rate Loan.

3.8 Capital Adequacy.

(a) In the event that Agent or any Lender shall have determined that any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Agent or any Lender (for purposes of this Section 3.8, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) and the office or branch where Agent or any Lender makes or maintains any Eurodollar Rate Loans with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on Agent's or any Lender's capital as a consequence of its obligations hereunder to a level below that which Agent or such Lender could have achieved but for such adoption, change or compliance (taking into consideration Agent's and each Lender's policies with respect to capital adequacy) by an amount deemed by Agent or any Lender to be material, then, from time to time, Borrowers shall pay upon demand to Agent or such Lender such additional amount or amounts as will compensate Agent or such Lender for such reduction. In determining such amount or amounts, Agent or such Lender may use any reasonable averaging or attribution methods. The protection of this Section 3.8 shall be available to Agent and each Lender regardless of any possible contention of invalidity or inapplicability with respect to the applicable law, regulation or condition.

(b) A certificate of Agent or such Lender setting forth such amount or amounts as shall be necessary to compensate Agent or such Lender with respect to Section 3.8(a) hereof when delivered to Borrowers shall be conclusive absent manifest error. Such certificate shall be delivered to Borrowing Agent within sixty (60) days of Agent or any Lender determining any such amount or amounts.

IV. COLLATERAL: GENERAL TERMS

4.1. Security Interest in the Collateral. To secure the prompt payment and performance to Agent and each Lender of the Obligations, each Borrower hereby assigns, pledges and grants to Agent for its benefit and for the ratable benefit of each Lender a continuing security interest in and to all of its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located. Each Borrower shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's security interest and shall cause its financial statements to reflect such security interest.

4.2. Perfection of Security Interest. Each Borrower shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's security interest in the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, (i) immediately discharging all Liens other than Permitted Encumbrances, (ii) at Agent's request and using reasonable best efforts to obtain, landlords' or mortgagees' lien waivers, (iii) upon Agent's request, delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all chattel paper, instruments, letters of credits and advices thereof and documents evidencing or forming a part of the Collateral, (iv) entering into warehousing, lockbox and other custodial arrangements satisfactory to Agent, and (v) executing and delivering financing statements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance satisfactory to Agent, relating to the creation, validity, perfection, maintenance or continuation of Agent's security interest under the Uniform Commercial Code or other applicable law. Agent is hereby authorized to file financing statements signed by Agent instead of Borrower in accordance with Section 9-402(2) of the UCC . All charges, expenses and fees Agent may incur in doing any of the foregoing, and any local taxes relating thereto, shall be charged to Borrowers' Account as a Revolving Advance of a Domestic Rate Loan and added to the Obligations, or, at Agent's option, shall be paid to Agent for the ratable benefit of Lenders immediately upon demand.

4.3. Disposition of Collateral and Other Assets. Each Borrower will safeguard and protect all Collateral for Agent's general account and make no disposition thereof whether by sale, lease or otherwise except as permitted pursuant to Section 7.1 and the disposition or transfer of obsolete and worn-out Equipment in the ordinary course of such Borrower's business.

4.4. Preservation of Collateral. Following the occurrence of a Default or Event of Default, in addition to the rights and remedies set forth in Section 11.1 hereof, Agent: (a) may at any time take such steps as Agent deems necessary to protect Agent's interest in and to preserve the Collateral, including the hiring of such security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any of any Borrower's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Borrower's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of Borrower's owned or leased property. Each Borrower shall cooperate fully with all of Agent's efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct. All of Agent's expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to Borrowers' Account as a Revolving Advance of a Domestic Rate Loan and added to the Obligations.

4.5. Ownership of Collateral. With respect to the Collateral, at the time the Collateral becomes subject to Agent's security interest: (a) each Borrower shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority security interest in each and every item of the its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens and encumbrances whatsoever; (b) each document and agreement executed by each Borrower or delivered to Agent or any Lender in connection with this Agreement shall be true and correct in all respects; (c) all signatures and endorsements of each

Borrower that appear on such documents and agreements shall be genuine and each Borrower shall have full capacity to execute same; and (d) each Borrower's Equipment and Inventory shall be located as set forth on Schedule 4.5 and shall not be removed from such location(s) without the prior written consent of Agent except with respect to the sale of Inventory in the ordinary course of business, Equipment to the extent permitted in Section 4.3 hereof and goods considered to be mobile goods under the UCC.

4.6. Defense of Agent's and Lenders' Interests. Until (a) payment and performance in full of all of the Obligations and (b) termination of this Agreement, Agent's interests in the Collateral shall continue in full force and effect. During such period no Borrower shall, without Agent's prior written consent, pledge, sell (except Inventory in the ordinary course of business and Equipment to the extent permitted in Section 4.3 hereof), assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral. Each Borrower shall defend Agent's interests in the Collateral against any and all Persons whatsoever. At any time following the occurrence and during the continuance of an Event of Default and demand by Agent for payment of all Obligations, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including without limitation: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Borrowers shall, upon demand, assemble it in the best manner possible and make it available to Agent at a place reasonably convenient to Agent. In addition, with respect to all Collateral, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the Uniform Commercial Code or other applicable law. Each Borrower shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehousers or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent's order and if they shall come into any Borrower's possession, they, and each of them, shall be held by such Borrower in trust as Agent's trustee, and such Borrower will immediately deliver them to Agent in their original form together with any necessary endorsement.

4.7. Books and Records. Each Borrower shall (a) keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs; (b) set up on its books accruals with respect to all taxes, assessments, charges, levies and claims; and (c) on a reasonably current basis set up on its books, from its earnings, allowances against doubtful Receivables, advances and investments and all other proper accruals (including without limitation by reason of enumeration, accruals for premiums, if any, due on required payments and accruals for depreciation, obsolescence, or amortization of properties), which should be set aside from such earnings in connection with its business. All determinations pursuant to this subsection shall be made in accordance with, or as required by, GAAP consistently applied in the opinion of such independent public accountant as shall then be regularly engaged by Borrowers.

4.8. Financial Disclosure. Each Borrower hereby irrevocably authorizes and directs all accountants and auditors employed by such Borrower at any time during the Term to exhibit and deliver to Agent and each Lender copies of any of any Borrower's financial statements, trial balances or other accounting records of any sort in the accountant's or auditor's possession, and to disclose to Agent and each Lender any information such accountants may have concerning such Borrower's financial status and business operations. Each Borrower hereby authorizes all federal, state and municipal authorities to furnish to Agent and each Lender copies of reports or examinations relating

to such Borrower, whether made by such Borrower or otherwise; however, Agent and each Lender will attempt to obtain such information or materials directly from such Borrower prior to obtaining such information or materials from such accountants or such authorities. Prior to the occurrence of an Event of Default or Default, Agent shall give Borrowers prior notice of its intention to seek information under this Section 4.8.

4.9. Compliance with Laws. Each Borrower shall comply with all acts, rules, regulations and orders of any legislative, administrative or judicial body or official applicable to its respective Collateral or any part thereof or to the operation of such Borrower's business the non-compliance with which could reasonably be expected to have a Material Adverse Effect on such Borrower. The Collateral at all times shall be maintained in accordance with the requirements of all insurance carriers which provide insurance with respect to the Collateral so that such insurance shall remain in full force and effect.

4.10. Inspection of Premises. At all reasonable times (and prior to the occurrence of an Event of Default, with reasonable prior notice to Borrowing Agent) Agent and each Lender shall have full access to and the right to audit, check, inspect and make abstracts and copies from each Borrower's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Borrower's business. Agent, any Lender and their agents may enter upon any of each Borrower's premises at any time during business hours and at any other reasonable time, and from time to time, for the purpose of inspecting the Collateral and any and all records pertaining thereto and the operation of such Borrower's business.

4.11. Insurance. Each Borrower shall bear the full risk of any loss of any nature whatsoever with respect to the Collateral. At each Borrower's own cost and expense in amounts and with carriers acceptable to Agent, each Borrower shall (a) keep all its insurable properties and properties in which each Borrower has an interest insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to such Borrower's including, without limitation, business interruption insurance; (b) maintain a bond in such amounts as is customary in the case of companies engaged in businesses similar to such Borrower insuring against larceny, embezzlement or other criminal misappropriation of insured's officers and employees who may either singly or jointly with others at any time have access to the assets or funds of such Borrower either directly or through authority to draw upon such funds or to direct generally the disposition of such assets; (c) maintain public and product liability insurance against claims for personal injury, death or property damage suffered by others; (d) maintain all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which such Borrower is engaged in business; (e) maintain foreign credit insurance with an annual limit of not less than $15,000,000 (on terms and with an insurance company acceptable to Agent in its sole but reasonable discretion); and (f) furnish Agent with (i) copies of all policies and evidence of the maintenance of such policies by the renewal thereof at least thirty (30) days before any expiration date, and (ii) appropriate loss payable endorsements in form and substance satisfactory to Agent, naming Agent as a co-insured, additional insured and lender's loss payee as its interests may appear with respect to all insurance coverage referred to in clauses (a) and (c) above, and providing (A) that all proceeds thereunder shall be payable to Agent, (B) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (C) that such policies and co-insured, additional insured and lender's loss payee clauses may not be cancelled, amended or terminated unless at least thirty (30) days' prior written notice is given to Agent. In the event of any loss thereunder, the carriers named therein hereby are directed by Agent and the

applicable Borrower to make payment for such loss to Agent and not to such Borrower and Agent jointly. If any insurance losses are paid by check, draft or other instrument payable to any Borrower and Agent jointly, Agent may endorse such Borrower's name thereon and do such other things as Agent may deem advisable to reduce the same to cash. Agent is hereby authorized to adjust and compromise claims under insurance coverage referred to in clauses (a), (b) and (e) above. All loss recoveries received by Agent upon any such insurance may be applied to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to Borrowers or applied as may be otherwise required by law. Any deficiency thereon shall be paid by Borrowers to Agent, on demand.

4.12. Failure to Pay Insurance. If any Borrower fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor on behalf of such Borrower, and charge Borrowers' Account therefor as a Revolving Advance of a Domestic Rate Loan and such expenses so paid shall be part of the Obligations.

4.13. Payment of Taxes. Each Borrower will pay, when due, all taxes, assessments and other Charges lawfully levied or assessed upon such Borrower or any of the Collateral including, without limitation, real and personal property taxes, assessments and charges and all franchise, income, employment, social security benefits, withholding, and sales taxes. If any tax by any governmental authority is or may be imposed on or as a result of any transaction between any Borrower and Agent or any Lender which Agent or any Lender may be required to withhold or pay or if any taxes, assessments, or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent's or any Lender's opinion, may possibly create a valid Lien on the Collateral, Agent may with five (5) days prior notice to Borrowers pay the taxes, assessments or other Charges and each Borrower hereby indemnifies and holds Agent and each Lender harmless in respect thereof. Agent will not pay any taxes, assessments or Charges to the extent that any Borrower has contested or disputed those taxes, assessments or Charges in good faith, by expeditious protest, administrative or judicial appeal or similar proceeding provided that any related tax lien is stayed and sufficient reserves are established to the satisfaction of Agent to protect Agent's security interest in or Lien on the Collateral. The amount of any payment by Agent under this Section 4.13 shall be charged to Borrowers' Account as a Revolving Advance of a Domestic Rate Loan and added to the Obligations and, until Borrowers shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Borrowers' credit and Agent shall retain its security interest in any and all Collateral held by Agent.

4.14. Payment of Leasehold Obligations. Each Borrower shall at all times pay, when and as due, its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect and, at Agent's request will provide evidence of having done so.

4.15. Receivables.

(a) Nature of Receivables. Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Borrower, or work, labor or services theretofore rendered

(except with respect to Domestic Non-Product Receivables) by a Borrower as of the date each Receivable is created. Same shall be due and owing in accordance with the applicable Borrower's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Borrowers to Agent. At Agent's direction following either the occurrence and continuance of an Event of Default hereunder or upon Agent's receipt of a notice from Intergraph pursuant to the Standstill Agreement, all invoices for any Maintenance Receivables shall be solely for Maintenance Receivables and no other Receivables not constituting Maintenance Receivables shall be included within such invoice.

(b) Solvency of Customers. Each Customer, to the best of each Borrower's knowledge, as of the date each Receivable is created, is and will be solvent and able to pay all Receivables on which the Customer is obligated in full when due or with respect to such Customers of any Borrower who are not solvent such Borrower has set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Locations of Borrowers. Each Borrower's chief executive office is located at the addresses set forth on Schedule 4.15(c) hereto. Until written notice is given to Agent by Borrowing Agent of any other office at which any Borrower keeps its records pertaining to Receivables, all such records shall be kept at such executive office.

(d) Collection of Receivables. Until any Borrower's or any Subsidiary's authority to do so is terminated by Agent (which notice Agent may give at any time following the occurrence of an Event of Default or a Default or when Agent in its sole discretion deems it to be in Lenders' best interest to do so), each Borrower will, or will cause a Subsidiary, at such Borrower's sole cost and expense, but on Agent's behalf and for Agent's account, collect as Agent's property and in trust for Agent all amounts received on Receivables, and shall not commingle such collections with any Borrower's or Subsidiary's funds (except with respect to a Subsidiary, at the direction of Agent)) or use the same except to pay Obligations. Each Borrower shall, upon request, deliver, or cause a Subsidiary to deliver, to Agent, or deposit in the Blocked Account, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of Indebtedness.

(e) Notification of Assignment of Receivables. At any time following the occurrence of an Event of Default or Default, Agent shall have the right to send notice of the assignment of, and Agent's security interest in, the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral. Thereafter, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone and telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Power of Agent to Act on Borrowers' Behalf. Agent shall have the right (but no duty or obligation) to receive, endorse, assign and/or deliver in the name of Agent or any Borrower, or any Subsidiary, any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Borrower hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Borrower hereby constitutes Agent or Agent's designee as such Borrower's attorney and agent with power (i) to endorse such Borrower's name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral; (ii) following the occurrence and during the continuance of an Event of Default, to sign

such Borrower's name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables; (iii) to send verifications of Receivables to any Customer; (iv) to sign such Borrower's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same; (v) following the occurrence and during the continuance of an Event of Default to demand payment of the Receivables; (vi) following the occurrence and during the continuance of an Event of Default to enforce payment of the Receivables by legal proceedings or otherwise; (vii) following the occurrence and during the continuance of an Event of Default to exercise all of Borrowers' rights and remedies with respect to the collection of the Receivables and any other Collateral; (viii) following the occurrence and during the continuance of an Event of Default to settle, adjust, compromise, extend or renew the Receivables; (ix) following the occurrence and during the continuance of an Event of Default to settle, adjust or compromise any legal proceedings brought to collect Receivables; (x) following the occurrence and during the continuance of an Event of Default to prepare, file and sign such Borrower's name on a proof of claim in bankruptcy or similar document against any Customer; (xi) following the occurrence and during the continuance of an Event of Default to prepare, file and sign such Borrower's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; and (xii) following the occurrence of an Event of Default or Default, to do all other acts and things necessary to carry out this Agreement. All acts of said attorney and agent or designee are hereby ratified and approved, and said attorney and agent or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence; this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid. Agent shall have the right at any time to change the address for delivery of mail addressed to any Borrower to such address as Agent may designate and to receive, open and dispose of all mail addressed to any Borrower.

(g) No Liability. Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof, or for any damage resulting therefrom. Agent may, without notice or consent from any Borrower following the occurrence and during the continuance of an Event of Default or Default, sue upon or otherwise collect, extend the time of payment of, compromise or settle for cash, credit or upon any terms any of the Receivables or any other securities, instruments or insurance applicable thereto and/or release any obligor thereof. Agent is authorized and empowered to accept the return of the goods represented by any of the Receivables, without notice to or consent by any Borrower, all without discharging or in any way affecting any Borrower's liability hereunder.

(h) Establishment of a Lockbox Account, Dominion Account. All proceeds of Collateral shall, at the direction of Agent, be deposited by Borrowers into a lockbox account, dominion account or such other "blocked account" ("Blocked Accounts") as Agent may require pursuant to an arrangement with such bank as may be selected by Borrowers and be acceptable to Agent. In addition, all proceeds of Receivables generated by a Subsidiary of a Borrower shall, at the direction of Agent, be deposited into a Blocked Account. All proceeds of Receivables generated by a Subsidiary organized outside of the United States shall be deposited in the Foreign Blocked Accounts. Amounts in the excess of $25,000 and Subsidiaries' scheduled working capital requirements (as delivered to Agent) in the Foreign Blocked Accounts shall be transferred weekly (or more frequently if required by Agent) into any one or more accounts designated by Agent.

Borrowers shall, or cause Subsidiaries of a Borrower to, issue to any such bank, an irrevocable letter of instruction directing said bank to transfer such funds so deposited to Agent, either to any account maintained by Agent at said bank or by wire transfer to appropriate account(s) of Agent. All funds deposited in such Blocked Account shall immediately become the property of Agent and Borrowers shall, or cause Subsidiaries of a Borrower to, obtain the agreement by such bank to waive any offset rights against the funds so deposited. Neither Agent nor any Lender assumes any responsibility for such blocked account arrangement, including without limitation, any claim of accord and satisfaction or release with respect to deposits accepted by any bank thereunder. Alternatively, Agent may establish depository accounts ("Depository Accounts") in the name of Agent at a bank or banks for the deposit of such funds and Borrowers shall deposit all proceeds of Collateral, or cause Subsidiaries of a Borrower to deposit all proceeds of Receivables, or cause same to be deposited, in kind, in such Depository Accounts of Agent in lieu of depositing same to the Blocked Accounts.

(i) Adjustments. No Borrower will, without Agent's consent, compromise or adjust any Receivables (or extend the time for payment thereof) or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances as have been heretofore customary in the business of such Borrower.

4.16. Inventory. To the extent Inventory held for sale or lease has been produced by any Borrower, it has been and will be produced by such Borrower, to the extent applicable, in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.17. Maintenance of Equipment. The Equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the Equipment shall be maintained and preserved. No Borrower shall use or operate the Equipment in violation of any law, statute, ordinance, code, rule or regulation.

4.18. Exculpation of Liability. Nothing herein contained shall be construed to constitute Agent or any Lender as any Borrower's agent for any purpose whatsoever (except to the extent necessary, and subject to the terms of the preamble of this Article IV, for granting and the exercise of any powers of attorney contained herein), nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of any Borrower's obligations under any contract or agreement assigned to Agent or such Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by any Borrower of any of the terms and conditions thereof.

4.19. Environmental Matters.

(a) Borrowers shall ensure that the Real Property remains in material compliance with all Environmental Laws and they shall not place or permit to be placed any Hazardous Substances on any Real Property except as permitted by applicable law or appropriate governmental authorities.

(b) Borrowers shall establish and maintain a system to assure and monitor

continued compliance with all applicable Environmental Laws which system shall include periodic reviews of such compliance.

(c) Borrowers shall (i) employ in connection with the use of the Real Property appropriate technology necessary to maintain compliance with any applicable Environmental Laws and (ii) dispose of any and all Hazardous Waste generated at the Real Property only at facilities and with carriers that maintain valid permits under RCRA and any other applicable Environmental Laws. Borrowers shall use commercially reasonable efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by Borrowers in connection with the transport or disposal of any Hazardous Waste generated at the Real Property.

(d) In the event any Borrower obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Substances at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at the Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or any Borrower's interest therein (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which the Real Property is located or the United States Environmental Protection Agency (any such person or entity hereinafter the "Authority"), then Borrowing Agent shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which any Borrower is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its security interest in the Real Property and the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(e) Borrowers shall promptly forward to Agent copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Substances at any other site owned, operated or used by any Borrower to dispose of Hazardous Substances and shall continue to forward copies of correspondence between any Borrower and the Authority regarding such claims to Agent until the claim is settled. Borrowers shall promptly forward to Agent copies of all documents and reports concerning a Hazardous Discharge at the Real Property that any Borrower is required to file under any Environmental Laws. Such information is to be provided solely to allow Agent to protect Agent's security interest in the Real Property and the Collateral.

(f) Borrowers shall respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or Real Property to any Lien. If any Borrower shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or any Borrower shall fail to comply with any of the requirements of any Environmental Laws, Agent on behalf of Lenders may, but without the obligation to do so, for the sole purpose of protecting Agent's interest in Collateral: (A) give such notices or (B) enter onto the Real Property (or authorize third parties to enter onto the Real Property) and take such actions as Agent (or such third parties as directed by Agent) deem reasonably necessary or advisable, to clean up, remove, mitigate or otherwise deal with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses

incurred by Agent and Lenders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Domestic Rate Loans constituting Revolving Advances shall be paid upon demand by Borrowers, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between Agent, any Lender and any Borrower.

(g) Promptly upon the written request of Agent from time to time, Borrowers shall provide Agent, at Borrowers' expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, cleanup and removal of any Hazardous Substances found on, under, at or within the Real Property. Any report or investigation of such Hazardous Discharge proposed and acceptable to an appropriate Authority that is charged to oversee the clean-up of such Hazardous Discharge shall be acceptable to Agent. If such estimates, individually or in the aggregate, exceed $100,000, Agent shall have the right to require Borrowers to post a bond, letter of credit or other security reasonably satisfactory to Agent to secure payment of these costs and expenses.

(h) Borrowers shall defend and indemnify Agent and Lenders and hold Agent, Lenders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, suffered or incurred by Agent or Lenders under or on account of any Environmental Laws and arising out of or relating to Borrowers or any of the Real Property, including, without limitation, the assertion of any Lien thereunder, with respect to any Hazardous Discharge, the presence of any Hazardous Substances affecting the Real Property, whether or not the same originates or emerges from the Real Property or any contiguous real estate, including any loss of value of the Real Property as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender. Borrowers' obligations under this Section 4.19 shall arise upon the discovery of the presence of any Hazardous Substances at the Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Substances. Borrowers' obligation and the indemnifications hereunder shall survive the termination of this Agreement.

(i) For purposes of Section 4.19 and 5.7, all references to Real Property shall be deemed to include all of Borrowers' right, title and interest in and to its owned and leased premises.

4.20. Financing Statements. Except for the financing statements filed by Agent and the financing statements described on Schedule 1.2, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office.

V. REPRESENTATIONS AND WARRANTIES.

Each Borrower represents and warrants as follows:

5.1. Authority. Each Borrower has full power, authority and legal right to enter into this Agreement and the Other Documents and to perform all its respective Obligations hereunder and

thereunder. This Agreement and the Other Documents constitute the legal, valid and binding obligation of such Borrower enforceable in accordance with their terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally. The execution, delivery and performance of this Agreement and of the Other Documents (a) are within such Borrower's corporate or organizational powers, have been duly authorized, are not in contravention of law or the terms of such Borrower's by-laws, operating agreement, certificate of formation or other applicable documents relating to such Borrower's formation or to the conduct of such Borrower's business or of any material agreement or undertaking to which such Borrower is a party or by which such Borrower is bound, and (b) will not conflict with nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Borrower under the provisions of any agreement, charter document, instrument, by-law, or other instrument to which such Borrower is a party or by which it or its property may be bound.

5.2. Formation and Qualification.

(a) Each Borrower is duly incorporated and in good standing under the laws of the state listed on Schedule 5.2(a) and is qualified to do business and is in good standing in the states listed on Schedule 5.2(a) which constitute all states in which qualification and good standing are necessary for such Borrower to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have a Material Adverse Effect on such Borrower. Each Borrower has delivered to Agent true and complete copies of its certificate of incorporation and by-laws and will promptly notify Agent of any amendment or changes thereto.

(b) The only Subsidiaries of each Borrower and the capital structure of the Subsidiaries whose ownership interest is being pledged to Agent hereunder are listed on Schedule 5.2(b).

5.3. Survival of Representations and Warranties. All representations and warranties of such Borrower contained in this Agreement and the Other Documents to which it is a party shall be true at the time of such Borrower's execution of this Agreement and the Other Documents, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4. Tax Returns. Each Borrower's federal tax identification number is set forth on Schedule 5.4. Each Borrower has filed all federal, state and local tax returns and other reports each is required by law to file and has paid all taxes, assessments, fees and other governmental charges that are due and payable. Federal, state and local income tax returns of each Borrower have been examined and reported upon by the appropriate taxing authority or closed by applicable statute and satisfied for all fiscal years prior to and including the fiscal year ending December 31, 1998. The provision for taxes on the books of each Borrower are adequate for all years not closed by applicable statutes, and for its current fiscal year, and no Borrower has any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books.

5.5. Financial Statements.

(a) The pro forma balance sheet of Bentley on a consolidated basis ("Pro Forma Balance Sheet") furnished to Agent on the Closing Date reflects the consummation of the transactions contemplated by the Acquisition Agreement and under this Agreement

("Transactions") and fairly presents the financial condition of Borrowers on a consolidated basis as of October 31, 2000 after giving effect to the Transactions, and has been prepared in accordance with GAAP, consistently applied. The Pro Forma Balance Sheet has been certified as fairly presented in all material respects by the President and Chief Financial Officer of Bentley. All financial statements referred to in this subsection 5.5(a), including the related schedules and notes thereto, have been prepared, in accordance with GAAP, except as may be disclosed in such financial statements.

(b) The twelve-month cash flow projections of Borrowers on a consolidated basis and their projected balance sheets as of the Closing Date provided to Agent ("Projections") were prepared by the Chief Financial Officer of Bentley, are based on underlying assumptions which provide a reasonable basis for the projections contained therein and reflect Borrowers' judgment based on present circumstances of the most likely set of conditions and course of action for the projected period. The cash flow Projections together with the Pro Forma Balance Sheet, are referred to as the "Pro Forma Financial Statements".

(c) The consolidated and consolidating balance sheets of Bentley and its Subsidiaries and such other Persons described therein (including the accounts of all Subsidiaries for the respective periods during which a subsidiary relationship existed) as of October 31, 2000, and the related statements of income, changes in stockholder's equity, and changes in cash flow for the period ended on such date, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied (except for changes in application in which such accountants concur) and present fairly the financial position of the Borrowers and their Subsidiaries at such date and the results of their operations for such period. Since October 31, 2000 there has been no change in the condition, financial or otherwise, of Borrowers or their Subsidiaries as shown on the consolidated balance sheet as of such date and no change in the aggregate value of machinery, equipment and Real Property owned by Borrowers and their respective Subsidiaries, except changes in the ordinary course of business, none of which individually or in the aggregate has been materially adverse.

5.6. Corporate Name. No Borrower has been known by any other corporate name in the past five years and does not sell Inventory under any other name except as set forth on Schedule 5.6, nor has any Borrower been the surviving corporation of a merger or consolidation or acquired all or substantially all of the assets of any Person during the preceding five (5) years.

5.7. O.S.H.A. and Environmental Compliance.

(a) Each Borrower has duly complied with, and its facilities, business, assets, property, leaseholds and Equipment are in compliance in all material respects with, the provisions of the Federal Occupational Safety and Health Act, the Environmental Protection Act, RCRA and all other Environmental Laws; there have been no outstanding citations, notices or orders of non-compliance issued to any Borrower or relating to its business, assets, property, leaseholds or Equipment under any such laws, rules or regulations.

(b) Each Borrower has been issued all required federal, state and local licenses, certificates or permits relating to all applicable Environmental Laws.

(c) (i) There are no visible signs of releases, spills, discharges, leaks or disposal (collectively referred to as "Releases") of Hazardous Substances at, upon, under or within any Real

Property or any premises leased by any Borrower; (ii) to the best of Borrowers' knowledge there are no underground storage tanks or polychlorinated biphenyls on the Real Property or any premises leased by any Borrower; (iii) to the best of Borrowers' knowledge neither the Real Property nor any premises leased by any Borrower has ever been used as a treatment, storage or disposal facility of Hazardous Waste; and (iv) no Hazardous Substances are present on the Real Property or any premises leased by any Borrower, excepting such quantities as are handled in accordance with all applicable manufacturer's instructions and governmental regulations and in proper storage containers and as are necessary for the operation of the commercial business of any Borrower or of its tenants.

5.8. Solvency; No Litigation, Violation, Indebtedness or Default.

(a) Both prior to and after giving effect to the Transactions (including the making of the initial Advances), Borrowers are and will be solvent, able to pay their debts as they mature, have capital sufficient to carry on their business and all businesses in which they are about to engage, and (i) as of the Closing Date, the fair present saleable value of their assets, calculated on a going concern basis, is in excess of the amount of their liabilities and (ii) subsequent to the Closing Date, the fair saleable value of their assets (calculated on a going concern basis) will be in excess of the amount of their liabilities.

(b) Except as disclosed in Schedule 5.8(b), no Borrower has (i) any pending or threatened litigation, arbitration, actions or proceedings which involve the possibility of having a Material Adverse Effect on such Borrower, and (ii) any liabilities or indebtedness for borrowed money other than the Obligations.

(c) No Borrower is in violation of any applicable statute, regulation or ordinance in any respect which could reasonably be expected to have a Material Adverse Effect on such Borrower, nor is any Borrower in violation of any order of any court, governmental authority or arbitration board or tribunal.

(d) No Borrower nor any member of the Controlled Group maintains or contributes to any Plan other than those listed on Schedule 5.8(d) hereto. No Borrower nor any member of the Controlled Group maintains or has ever maintained a Plan which is subject to the minimum funding requirements of Part 3 of Subtitle B of Title I of ERISA or subject to Section 412 of the Code. No Borrower nor any member of the Controlled Group contributes to or is obligated to contribute to, or has ever contributed to or been obligated to contribute to, a Multiemployer Plan. Except as set forth in Schedule 5.8(d), (i) each Plan which is intended to be a qualified plan under Section 401(a) of the Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of the Code (or is within the remedial amendment period for making any required changes to comply with Section 401(a) of the Code) and the trust related thereto is exempt from federal income tax under Section 501(a) of the Code, (ii) no Plan has been terminated by the plan administrator thereof, (iii) no Plan has been terminated by the plan administrator thereof; (iv) no Borrower nor any member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any Plan so as to result in any Material Adverse Effect, (v) no Borrower nor any member of a Controlled Group has incurred any liability for any excise tax arising under Section 4972 or 4980B of the Code, and no fact exists which could give rise to any such liability, (vi) no Borrower nor any member of the Controlled Group nor any fiduciary of, nor any trustee to, any Plan, has engaged in a "prohibited transaction" described in Section 406 of the ERISA or Section 4975 of the Code for which a

statutory, administrative, or regulatory exemption is not available, (vii) each Borrower and each member of the Controlled Group has made all contributions due and payable with respect to each Plan, and (viii) no Borrower nor any member of the Controlled Group has any fiduciary responsibility for investments with respect to any plan existing for the benefit of persons other than employees or former employees of any Borrower and any member of the Controlled Group.

5.9. Patents, Trademarks, Copyrights and Licenses. All patents, patent applications, trademarks, trademark applications, service marks, service mark applications, copyrights, copyright applications, design rights, tradenames, assumed names, trade secrets and licenses owned or utilized by any Borrower are set forth on Schedule 5.9, are valid and have been duly registered or filed with all appropriate governmental authorities if such registration or filing is required for the operation of Borrowers' business or to protect Borrowers' interest in such property, and constitute all of the intellectual property rights which are necessary for the operation of its business; to the best of Borrowers' knowledge there is no objection to or pending challenge to the validity of any such patent, trademark, copyright, design right, tradename, trade secret or license and no Borrower is aware of any grounds for any challenge, except as set forth in Schedule 5.9 hereto. Each patent, patent application, patent license, trademark, trademark application, trademark license, service mark, service mark application, service mark license, design right, copyright, copyright application and copyright license owned or held by any Borrower and all trade secrets used by any Borrower consist of original material or property developed by such Borrower or was lawfully acquired by such Borrower from the proper and lawful owner thereof. Each of such items has been maintained so as to preserve the value thereof from the date of creation or acquisition thereof. Borrower is in possession of all source and object codes related to each piece of software or is the beneficiary of a source code escrow agreement listed on Schedule 5.9 hereto.

5.10. Licenses and Permits. Except as set forth in Schedule 5.10, each Borrower (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state, provincial or local law or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure such licenses or permits could have a Material Adverse Effect on such Borrower.

5.11. Default of Indebtedness. No Borrower is in default in the payment of the principal of or interest on any Indebtedness for borrowed money or under any instrument or agreement under or subject to which any such Indebtedness has been issued and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder.

5.12. No Default. No Borrower is in default in the payment or performance of any of its contractual obligations, the result of which would result in a Material Adverse Effect.

5.13. No Burdensome Restrictions. No Borrower is party to any contract or agreement the performance of which could have a Material Adverse Effect on such Borrower. No Borrower has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.14. No Labor Disputes. No Borrower is involved in any labor dispute; there are no strikes or walkouts or union organization of any Borrower's employees threatened or in existence

and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.14 hereto.

5.15. Margin Regulations. No Borrower is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U or Regulation G of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

5.16. Investment Company Act. No Borrower is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.17. Disclosure. No representation or warranty made by any Borrower in this Agreement or in the Acquisition Agreement, or in any financial statement, report, certificate or any other document furnished in connection herewith or therewith contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein not misleading.

5.18. Delivery of Acquisition Agreement. Agent has received complete copies of the Acquisition Agreement (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any) and all amendments thereto, waivers relating thereto and other side letters or agreements affecting the terms thereof. None of such documents and agreements has been amended or supplemented, nor have any of the provisions thereof been waived, except pursuant to a written agreement or instrument which has heretofore been delivered to Agent.

5.19. Swaps. No Borrower is a party to, nor will it be a party to, any swap agreement whereby such Borrower has agreed or will agree to swap interest rates or currencies unless same provides that damages upon termination following an event of default thereunder are payable on an unlimited "two-way basis" without regard to fault on the part of either party.

5.20. Conflicting Agreements. No provision of any mortgage, indenture, contract, agreement, judgment, decree or order binding on any Borrower or affecting the Collateral conflicts with, or requires any Consent which has not already been obtained to, or would in any way prevent the execution, delivery or performance of, the terms of this Agreement or the Other Documents.

5.21. Application of Certain Laws and Regulations. No Borrower nor any Affiliate of any Borrower is subject to any statute, rule or regulation which regulates the incurrence of any Indebtedness, including without limitation, statutes or regulations relative to common or interstate carriers or to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

5.22. Business and Property of Borrowers. Upon and after the Closing Date, Borrowers do not propose to engage in any business other than as conducted as of the Closing Date and activities necessary to conduct the foregoing. On the Closing Date, each Borrower will own all the property and possess all of the rights and Consents necessary for the conduct of the business of such Borrower as conducted on the Closing Date.

5.23. Section 20 Subsidiaries. Borrowers do not intend to use and shall not use any portion of the proceeds of the Advances, directly or indirectly, to purchase during the underwriting period, or for 30 days thereafter, Ineligible Securities being underwritten by a Section 20 Subsidiary.

5.24. Foreign Subsidiary Income. All EBITDA (other than amounts necessary to maintain minimum working capital requirements) generated by each Subsidiary of a Borrower organized outside of the United States included within the consolidated financial statements for Bentley has been properly repatriated to Bentley and to the best of Borrowers' knowledge, does not result in adverse tax consequences of implied dividends to Borrowers and there are no restrictions under the laws of any country that could limit the ability of such Subsidiary to deliver such amount to Bentley. To the best of Borrowers' knowledge, should any adverse tax consequences result from such repatriation, such tax consequences will be mitigated by related foreign tax credits.

VI. AFFIRMATIVE COVENANTS.

Each Borrower shall, until payment in full of the Obligations and termination of this Agreement:

6.1. Payment of Fees. Pay to Agent on demand all usual and customary fees and expenses which Agent incurs in connection with (a) the forwarding of Advance proceeds and (b) the establishment and maintenance of any Blocked Accounts or Depository Accounts as provided for in Section 4.15(h). Agent may, without making demand, charge Borrowers' Account for all such fees and expenses.

6.2. Conduct of Business and Maintenance of Existence and Assets. (a) Conduct continuously and operate actively its business according to good business practices and maintain all of its properties useful or necessary in its business in good working order and condition (reasonable wear and tear excepted and except as may be disposed of in accordance with the terms of this Agreement), including, without limitation, all licenses, patents, copyrights, design rights, tradenames, trade secrets and trademarks and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the Collateral; (b) keep in full force and effect its existence and comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect on such Borrower; and (c) make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any political subdivision thereof.

6.3. Violations. Promptly notify Agent in writing of any violation of any law, statute, regulation or ordinance of any Governmental Body, or of any agency thereof, applicable to any Borrower which could reasonably be expected to have a Material Adverse Effect on any Borrower.

6.4. Government Receivables. Upon Agent's request at any time and from time to time, take all steps necessary to protect Agent's interest in the Collateral under the Federal Assignment of Claims Act or other applicable state or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Receivable arising out of contracts between any Borrower and the United States, any state or any department, agency or instrumentality of any of them; provided, however, Borrowers shall assign all of their rights in and to Receivables in excess of $50,000 due from a Customer that is the United States, any state or any

department, agency or instrumentality of any of them.

6.5. Fixed Charge Coverage Ratio. Maintain at all times a Fixed Charge Coverage Ratio of not less than 1.20 to 1.

6.6. Execution of Supplemental Instruments. Execute and deliver to Agent from time to time, upon Agent's reasonable request, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent may request, in order that the full intent of this Agreement may be carried into effect.

6.7. Payment of Indebtedness. Pay, discharge or otherwise satisfy at or before maturity (subject, where applicable, to specified grace periods and, in the case of the trade payables, to normal payment practices) all its obligations and liabilities of whatever nature, except when the failure to do so could not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and each Borrower shall have provided for such reserves as Agent may reasonably deem proper and necessary, subject at all times to any applicable subordination arrangement in favor of Lenders.

6.8. Standards of Financial Statements. Cause all financial statements referred to in Sections 9.6, 9.7, 9.8, 9.9, 9.10, 9.11 and 9.12 as to which GAAP is applicable to fairly present in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments) and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as concurred in by such reporting accountants or officer, as the case may be, and disclosed therein).

6.9. Exercise of Rights. Enforce all of the payment obligations and the offset provisions contained in the Acquisition Agreement, and pursue all remedies available to it with diligence and in good faith in connection with the enforcement of any such rights, and after the occurrence and during the continuance of an Event of Default, at Agent's direction.

6.10. Future Acquired Companies. Borrowers shall cause all Future Acquired Companies organized in the United States to become a Borrower under this Agreement (including, without limitation, pursuant to Section 7.1(a)), pledge or shall cause to be pledged all capital stock or other equity interests in such Future Acquired Company owned by such Borrower to Agent pursuant to a Stock Pledge Agreement, shall cause such Future Acquired Company to grant to Agent a first priority (subject to certain Permitted Encumbrances) perfected security interest in all of such Future Acquired Company's property, and shall cause each Future Acquired Company to execute and deliver to Agent the Future Acquired Company Loan Documents.

6.11. Guarantors' Net Worth. Borrowers shall cause Guarantors to maintain, in the aggregate, a net worth of at least $15,000,000, exclusive of Guarantors' ownership interest in Borrowers or any of their Subsidiaries.

6.12. Performance Bonds. Borrowers shall promptly provide notice to Agent of : (a) their intention to obtain any performance bond in excess of $1,000,000; and (b) their intention of having outstanding performance bonds in excess of $5,000,000 in the aggregate at any one time.

VII. NEGATIVE COVENANTS.

No Borrower shall, until satisfaction in full of the Obligations and termination of this Agreement:

7.1. Merger, Consolidation, Acquisition and Sale of Assets.

(a) Enter into any merger, consolidation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or stock of any Person or permit any other Person to consolidate with or merge with it. Notwithstanding the foregoing, a Borrower may make Qualified Acquisitions and so long as Borrowers have Undrawn Availability in excess of $4,000,000 after giving effect to such acquisition, acquire the remaining capital stock of GEOPAK so long as GEOPAK becomes a Borrower hereunder pursuant to Section 7.11. Notwithstanding the foregoing, no Receivables of a Future Acquired Company shall be included within the calculation of the Formula Amount until such time as Agent has conducted its collateral audit and examination with respect to such Person and Agent is satisfied with the results of such audit and examination (as determined in Agent's sole and absolute discretion).

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets, except as provided in Section 4.3 or to another Borrower.

7.2. Creation of Liens. Create or suffer to exist any Lien or transfer upon or against any of its property or assets or its Subsidiaries' (direct or indirect) property or assets now owned or hereafter acquired, except Permitted Encumbrances.

7.3. Guarantees. Be or become liable upon the obligations of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) as disclosed on Schedule 7.3, (b) the endorsement of checks in the ordinary course of business, (c) guarantees with respect to performance bonds made in the ordinary course of business, up to an aggregate amount of $4,000,000 for any one performance bond or $7,000,000 at any one time outstanding for all performance bonds, (d) guarantees made in the ordinary course of business, up to an aggregate amount of $1,000,000 at any one time outstanding; and (e) guarantees of Indebtedness of another Borrower or Subsidiary permitted hereunder.

7.4. Investments. Purchase or acquire obligations or stock of, or any other interest in any Person or enter into a joint venture, partnership agreement or other similar arrangement, except (a) obligations issued or guaranteed by the United States of America or any agency thereof, (b) commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating), (c) certificates of time deposit and bankers' acceptances having maturities of not more than 180 days and repurchase agreements backed by United States government securities of a commercial bank if (i) such bank has a combined capital and surplus of at least $500,000,000, or (ii) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency, (d) U.S. money market funds that invest solely in obligations issued or guaranteed by the United States of America or an agency thereof, (e) as permitted under Section 7.1, (f) investments existing as of the Closing shown on Schedule 7.4 attached hereto, and (g) so long as no Default or Event of Default has occurred and is continuing or would result after giving effect to such investment and so long as Borrowers have Undrawn Availability in excess of $4,000,000 after giving effect to such investment, investments in Persons in the ordinary course of Borrowers' business in an amount not in excess of $2,000,000 in any one or more related transactions and in excess of $5,000,000 in the aggregate for all such investments during any one (1) fiscal year (less the

cash portion of all Qualified Acquisition during such fiscal year).

7.5. Loans. Make or have outstanding advances, loans or extensions of credit to any Person, including without limitation, any Parent, Subsidiary or Affiliate except with respect to (a) loans to its employees in the ordinary course of business not to exceed the aggregate amount of $100,000 at any time outstanding, or in the case of loans to employees for tax obligations related solely to Bentley stock options, not to exceed the aggregate amount of $1,000,000 at any time outstanding, (b) advances, loans, or extensions of credit by a Borrower to any Subsidiary or any Affiliate not to exceed the aggregate amount to all such Persons of $500,000 at any time outstanding, (c) loans and advances existing as of the Closing Date or contemplated to be made for tax obligations with respect to the warrants issued to certain Guarantors, and in each case shown on Schedule 7.5 attached hereto, and (d) loans or advances by a Borrower to another Borrower.

7.6. Capital Expenditures. Contract for, purchase or make any expenditure or commitments for fixed or capital assets (including capitalized leases) except for (a) such expenditures in any fiscal year in an aggregate amount for all Borrowers not exceeding $3,000,000; and (b) those expenditures related to their VIECON internet initiative to the extent funded from contributions of cash equity received by Borrowers from the Closing Date through and including March 31, 2001.

7.7. Dividends. Declare, pay or make any dividend or distribution on any shares of the common stock or preferred stock of or membership interest in any Borrower (other than dividends or distributions payable in its stock, or split-ups or reclassifications of its stock) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any common or preferred stock of or membership interest in, or any options to purchase or acquire any such shares of common or preferred stock or membership interest in of any Borrower except with respect to (a) so long as no Default or Event of Default has occurred and is continuing or would result after giving effect to such redemption and so long as Borrowers have Undrawn Availability in excess of $4,000,000 after giving effect to such redemption, payment of any redemption amount of any preferred stock and series C common stock in accordance with the terms of such stock and (b) the purchase of stock from employees who are no longer employed by Borrowers.

7.8. Indebtedness. Create, incur, assume or suffer to exist any Indebtedness for borrowed money with respect to a Borrower or cause or permit to exist any Indebtedness for borrowed money with respect to any Subsidiary of a Borrower, except in respect of (i) Indebtedness to Lenders; (ii) Indebtedness incurred for capital expenditures permitted under Section 7.6 hereof, (iii) Seller Debt in connection with Qualified Acquisitions, (iv) Intergraph Debt and (v) Indebtedness existing as of the Closing Date and shown on Schedule 5.8(b).

7.9. Nature of Business. Substantially change, or permit a Subsidiary to substantially change, the nature of the business in which it is presently engaged.

7.10. Transactions with Affiliates. Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal or have outstanding with, any Affiliate (other to another Borrower), except transactions in the ordinary course of business, on an arm's-length basis on terms no less favorable than terms which would have been obtainable from a Person other than an Affiliate.

7.11 Subsidiaries. Form any Subsidiary unless (i) such Subsidiary, if it is organized within

the United States, expressly joins in this Agreement as a Borrower and becomes jointly and severally liable for the obligations of Borrowers hereunder, under the Notes, and under any other agreement between any Borrower and Lenders, (ii) Agent shall have received all documents, including legal opinions, it may reasonably require to establish compliance with each of the foregoing conditions, and (iii) if a direct Subsidiary of a Borrower, Agent receives a pledge of such Borrower's ownership interests, in amount equal to 100% if such subsidiary is organized within the United States and 66% if such Subsidiary is organized outside of the United States.

7.12 Fiscal Year and Accounting Changes. Without Agent's prior written consent (which consent shall not be unreasonably withheld), change its fiscal year from December 31st or make any change (i) in accounting treatment and reporting practices except as permitted by GAAP or (ii) in tax reporting treatment except as permitted by law.

7.13 Pledge of Credit. Now or hereafter pledge Agent's or any Lender's credit on any purchases or for any purpose whatsoever or use any portion of any Advance in or for any business other than such Borrower's business as conducted on the date of this Agreement.

7.14 Amendment of Organizational Documents. Amend, modify or waive any material term or material provision of its Articles of Incorporation, Certificate of Formation, Operating Agreement, By-Laws or other organizational document unless required by law, if such amendment could have an adverse effect on such Borrower.

7.15 Compliance with ERISA. (i) (x) Maintain, or permit any member of the Controlled Group to maintain, or (y) become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any Plan which is subject to the minimum funding requirements of Part 3 of Subtitle B of Title I of ERISA or subject to Section 412 of the Code, (ii) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in section 406 of ERISA and Section 4975 of the Code, (iii) assume, or permit any member of the Controlled Group to assume, any obligation to contribute to any Multiemployer Plan and (iv) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or the Code or other applicable laws in respect of any Plan so as to result in any Material Adverse Effect.

7.16 Prepayment of Indebtedness. At any time, directly or indirectly, prepay any Indebtedness for borrowed money (other than to Lenders), or repurchase, redeem, retire or otherwise acquire any such Indebtedness of any Borrower.

7.17 Intergraph Note. At any time, directly or indirectly, pay, prepay, repurchase, redeem, retire or otherwise acquire, or make any payment on account of any principal of, interest on or premium payable in connection with the repayment or redemption of the Intergraph Note, except as expressly permitted by the terms of the Intergraph Note as in effect on the Closing Date. Borrowers shall make no payments under the Intergraph Note (a) upon the occurrence and continuance of an Event of Default or Default or (b) if immediately after giving such effect to such payment, Borrowers' Undrawn Availability is less than $2,000,000.

7.18 Other Agreements. Enter into any material amendment, waiver or modification of the Acquisition Agreement or any related agreements.

7.19 Executive Bonuses. Make any payment for bonuses under the 20% special bonus

pool if (a) an Event of Default or Default has occurred and is continuing or would result after giving effect to such payment or (b) Borrowers' Undrawn Availability immediately after giving effect to such payment is less than $2,000,000.

VIII. CONDITIONS PRECEDENT.

8.1. Conditions to Initial Advances. The agreement of Lenders to make the initial Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Lenders, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent (each satisfactory to Agent in its sole and absolute discretion):

(a) Agreement and Note. Agent shall have received this Agreement, the Notes, each duly executed and delivered by an authorized officer of each Borrower;

(b) Collateral Documents, Filings, Registrations and Recordings. Upon filing each document (including, without limitation, any Uniform Commercial Code financing statement) required by this Agreement, any related agreement or under law or reasonably requested by the Agent to be filed, registered or recorded, Agent shall have, on behalf of Lenders, a perfected first priority security interest in and lien upon the Collateral (subject to certain Permitted Encumbrances);

(c) Corporate Proceedings of Borrowers. Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors or Managing Members (as applicable) of each Borrower authorizing (i) the execution, delivery and performance of this Agreement, the Notes, the Mortgage, the Warrant, the Intellectual Property Documents, any related agreements, and the Acquisition Agreement (collectively, the "Documents") and (ii) the granting by each Borrower of the security interests in and liens upon the Collateral in each case certified by the Secretary or an Assistant Secretary (or other appropriate officer) of each Borrower as of the Closing Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(d) Incumbency Certificates of Borrowers. Agent shall have received a certificate of the Secretary or an Assistant Secretary (or other appropriate officer) of each Borrower, dated the Closing Date, as to the incumbency and signature of the officers of each Borrower executing this Agreement, any certificate or other documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary (or other appropriate officer);

(e) Corporate Proceedings of BSI Netherlands and BSI Australia. Agent shall have received a copy of the resolutions in form and substance reasonably satisfactory to Agent, of the Board of Directors of each of BSI Netherlands and BSI Australia authorizing the execution, delivery and performance of the such Person's Stock Pledge Document certified by the Secretary or an Assistant Secretary (or other appropriate officer) of such Person as of the Closing Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(f) Incumbency Certificates of BSI Netherlands and BSI Australia. Agent shall have received a certificate of the Secretary or an Assistant Secretary (or other appropriate officer) of each of BSI Australia and BSI Netherlands, dated the Closing Date, as to the incumbency and signature of the officers of such Person executing such Person's respective Stock Pledge Document,

any certificate or other documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary (or other appropriate officer);

(g) Organizational Documents. Agent shall have received a copy of the Articles or Certificate of Incorporation or Certificate of Formation of each Borrower and each of BSI Netherlands and BSI Australia, and all amendments thereto, certified by the Secretary of State or other appropriate official of its jurisdiction of incorporation together with copies of the By-Laws or Operating Agreement of each Borrower and each Guarantor and all agreements of each Borrower's and each Guarantor's shareholders certified as accurate and complete by the Secretary of each Borrower and such Guarantor;

(h) Good Standing Certificates. Agent shall have received good standing certificates for each Borrower dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each Borrower's jurisdiction of incorporation or formation and each jurisdiction where the conduct of each Borrower's business activities or the ownership of its properties necessitates qualification;

(i) Legal Opinion. Agent shall have received the executed legal opinions of Drinker Biddle & Reath LLP which shall cover such matters incident to the transactions contemplated by this Agreement, the Notes, the Warrant, the Acquisition Agreement (relying with approval, upon any opinion received from Intergraph's legal counsel) and related agreements as Agent may reasonably require;

(j) No Litigation. (i) No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Borrower or against the officers or directors of any Borrower (A) in connection with the Other Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material or (B) which could, in the reasonable opinion of Agent, have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Borrower or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(k) Collateral Examination. Agent shall have completed Collateral examinations, asset based field audits and received appraisals, the results of which shall be satisfactory in form and substance to Agent and Lenders, of the Receivables, Inventory, General Intangibles, Real Property and Equipment of each Borrower and all books and records in connection therewith;

(l) Fees. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date pursuant to Article III hereof (including the Closing Fee);

(m) Pro Forma Financial Statements. Agent shall have received a copy of the Pro Forma Financial Statements which shall be satisfactory in all respects to Lenders;

(n) Acquisition Documents. Agent shall have received final executed copies of the Acquisition Agreement and all related agreements, documents and instruments as in effect on the Closing Date and the transactions contemplated by such documentation shall be consummated prior to the making of the initial Advance;

(o) Insurance. Agent shall have received in form and substance satisfactory to

Agent: (i) certified copies of Borrowers' casualty insurance policies, together with loss payable endorsements on Agent's standard form of lender's loss payee endorsement naming Agent as lender's loss payee, and certified copies of Borrowers' liability insurance policies, together with endorsements naming Agent as an additional insured and (ii) certified copies of Borrowers' foreign credit insurance policies, together with an assignment of the proceeds of such insurance;

(p) Payment Instructions. Agent shall have received written instructions from Borrowers directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(q) Blocked Accounts. Agent shall have received duly executed agreements establishing the Blocked Accounts or Depository Accounts with financial institutions acceptable to Agent for the collection or servicing of the Receivables and proceeds of the Collateral;

(r) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the Other Documents; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(s) No Adverse Material Change. (i) since December 31, 1999, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect and (ii) no representations made or information supplied to Agent shall have been proven to be inaccurate or misleading in any material respect;

(t) Mortgage Documents. Agent shall have received in form and substance satisfactory to Agent the executed Mortgage Documents;

(u) Intergraph Note Documentation. Agent shall have received final executed copies of the Intergraph Note and all related documents, instrument, and agreements which shall contain such terms and provisions satisfactory to Agent;

(v) Security Agreements and Other Documents. Agent shall have received (i) the executed Other Documents, (ii) the executed Warrant, (iii) the executed Stock Pledge Documents along with the all original Bentley Pledged Stock and stock powers for the Bentley Pledged Stock duly endorsed in blank, and (iv) the executed Intellectual Property Documents, all in form and substance satisfactory to Agent;

(w) Intergraph Agent shall have received the executed Standstill Agreement and a no offset agreement from Intergraph, each in form and substance satisfactory to Agent.

(x) Contract Review. Agent shall have reviewed all material contracts of Borrowers including, without limitation, leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to Agent;

(y) Closing Certificate. Agent shall have received a closing certificate signed by the Chief Financial Officer of each Borrower dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct on and as of such date, (ii) Borrowers are on such date in compliance with all the terms and

provisions set forth in this Agreement and the Other Documents, (iii) on such date no Default or Event of Default has occurred or is continuing, and (iv) all of the conditions set forth in this Article VIII have been satisfied;

(z) Borrowing Base. Agent shall have received evidence from Borrowers that the aggregate amount of Eligible Receivables is sufficient in value and amount to support Advances in the amount requested by Borrowers on the Closing Date;

(aa) Undrawn Availability. After giving effect to the initial Advances hereunder (including for this purpose all costs, fees and expenses incurred in connection with this transaction and Acquisition), Borrowers shall have Undrawn Availability of at least $4,000,000;

(bb) Equity Investment. Agent shall have received evidence (satisfactory to Agent in its sole but reasonable discretion) that Bentley received either (i) an additional $7,500,000 contribution of cash equity or (ii) $7,500,000 in mezzanine financing (upon terms and conditions acceptable to Agent in its sole but reasonable discretion);

(cc) Guaranty Agreements. Agent shall have received the Guaranty Agreements executed by each Guarantor and an Irrevocable Standby Letter of Credit issued in favor of Agent, for the ratable benefit of Lender (in form and substance satisfactory to Agent), from a financial institution acceptable to Agent (in its sole discretion).

(dd) Personal Financial Statements. Agent shall have received and reviewed (to its satisfaction) Guarantor's personal financial statements (in form and substance satisfactory to Agent); and

(ee) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Transactions shall be satisfactory in form and substance to Agent and its counsel.

8.2. Conditions to Each Advance. The agreement of Lenders to make any Advance requested to be made on any date (including, without limitation, the initial Advance), is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by any Borrower in or pursuant to this Agreement and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any related agreement shall be true and correct in all material respects on and as of such date as if made on and as of such date;

(b) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date and, in the case of the initial Advance, after giving effect to the consummation of the transactions contemplated by the Acquisition Agreement; provided, however that Lenders, in their sole discretion, may continue to make Advances notwithstanding the existence of an Event of Default or Default and that any Advances so made shall not be deemed a waiver of any such Event of Default or Default; and

(c) Maximum Advances. In the case of any Advances requested to be made, after giving effect thereto, the aggregate Advances shall not exceed the maximum amount of Advances permitted under Section 2.1 hereof.

Each request for an Advance by any Borrower hereunder shall constitute a representation and warranty by each Borrower as of the date of such Advance that the conditions contained in this subsection shall have been satisfied.

IX. INFORMATION AS TO BORROWER AND GUARANTORS.

Each Borrower shall, until satisfaction in full of the Obligations and the termination of this Agreement:

9.1. Disclosure of Material Matters. Immediately upon learning thereof, report to Agent all matters materially affecting Borrowers or a Subsidiary of a Borrower, or the value, enforceability or collectibility of any portion of the Collateral including, without limitation, any Borrower's reclamation or repossession of, or the return to any Borrower of, a material amount of goods or claims or disputes asserted by any Customer or other obligor.

9.2. Schedules. Deliver to Agent on or before the fifteenth (15th) day of each month as and for the prior month (a) accounts receivable agings, and (b) accounts payable schedules. Borrowers shall deliver to Agent on not less than a monthly basis, a Borrowing Base Certificate (which shall be calculated as of the last day of each calendar month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement). In addition, each Borrower will deliver to Agent at such intervals as Agent may require: (i) confirmatory assignment schedules, (ii) copies of Customer's invoices, (iii) evidence of shipment or delivery, and (iv) such further schedules, documents and/or information regarding the Collateral as Agent may require including, without limitation, trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder and prior to the occurrence of an Event of Default or Default, Borrowing Agent shall have the right to have a representative present during such verification. The items to be provided under this Section are to be in form satisfactory to Agent and executed by each Borrower and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Borrower's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral.

9.3. Environmental Reports. Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.6 and 9.7, with a certificate signed by the President or Managing Member (as applicable) of each Borrower stating, to the best of his knowledge, that each Borrower is in compliance in all material respects with all federal, state and local laws relating to environmental protection and control and occupational safety and health. To the extent any Borrower is not in compliance with the foregoing laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Borrower will implement in order to achieve full compliance.

9.4. Litigation. Promptly notify Agent in writing of any litigation, suit or administrative proceeding affecting any Borrower, whether or not the claim is covered by insurance, and of any suit or administrative proceeding, which in any such case could reasonably be expected to have a

Material Adverse Effect on any Borrower.

9.5. Material Occurrences. Promptly notify Agent in writing upon the occurrence of (a) any Event of Default or Default; (b) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Borrowers on a consolidated basis as of the date of such statements; (c) each and every default by any Borrower which might result in the acceleration of the maturity of any funded Indebtedness, in excess of $250,000 including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness; and (d) any other development in the business or affairs of any Borrower which could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action Borrowers propose to take with respect thereto.

9.6. Annual Financial Statements. Furnish Agent within one hundred twenty (120) days after the end of each fiscal year of Borrowers, financial statements of Borrowers on a consolidating and consolidated basis including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent certified public accounting firm selected by Borrowers and satisfactory to Agent ("Accountants"). The report of the Accountants shall be accompanied by a statement of the Accountants certifying that (i) they have caused the Loan Agreement to be reviewed, (ii) in making the examination upon which such report was based either no information came to their attention which to their knowledge constituted an Event of Default or a Default under this Agreement or any related agreement or, if such information came to their attention, specifying any such Default or Event of Default, its nature, when it occurred and whether it is continuing, and such report shall contain or have appended thereto calculations which set forth Borrowers' compliance with the requirements or restrictions imposed by Sections 6.5 and 7.6 hereof. In addition, the reports shall be accompanied by a certificate of Borrowers' Chief Financial Officer which shall state that, based on an examination sufficient to permit him to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by such Borrower with respect to such event, and such certificate shall have appended thereto calculations which set forth Borrowers' compliance with the requirements or restrictions imposed by Sections 6.5 and 7.6 hereof.

9.7. Quarterly Financial Statements. Furnish Agent within forty-five (45) days after the end of each fiscal quarter, an unaudited balance sheet of Borrowers on a consolidated (including each direct and indirect Subsidiary) and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Borrowers on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such quarter and for such quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to the business of Borrowers. The reports shall be accompanied by a certificate signed by the Chief Financial Officer of Borrowers, which shall state that, based on an examination sufficient to permit him to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred,

whether it is continuing and the steps being taken by Borrowers with respect to such default and, such certificate shall have appended thereto calculations which set forth Borrowers' compliance with the requirements or restrictions imposed by Sections 6.5 and 7.6 hereof.

9.8. Monthly Financial Statements. Furnish Agent within thirty (30) days after the end of each month, an unaudited balance sheet of Borrowers on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Borrowers on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to the business of Borrowers. The reports shall be accompanied by a certificate of Borrowers' Chief Financial Officer, which shall state that, based on an examination sufficient to permit him to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Borrowers with respect to such event.

9.9. Other Reports. Furnish Agent as soon as available, but in any event within ten (10) days after the issuance thereof, with copies of such financial statements, reports and returns as each Borrower shall send to its stockholders.

9.10. Additional Information. Furnish Agent with such additional information as Agent shall reasonably request in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement and the Notes have been complied with by Borrowers including, without limitation and without the necessity of any request by Agent, (a) copies of all environmental audits and reviews, (b) at least thirty (30) days prior thereto, notice of any Borrower's opening of any new office or place of business or any Borrower's closing of any existing office or place of business, and (c) promptly upon any Borrower's learning thereof, notice of any labor dispute to which any Borrower may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Borrower is a party or by which any Borrower is bound.

9.11. Projected Operating Budget. Furnish Agent, no later than sixty (60) days prior to the beginning of each Borrower's fiscal years commencing with fiscal year 2002, a month by month projected operating budget and cash flow of Borrowers on a consolidated and consolidating basis for such fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter) ("Projections"), such projections to be accompanied by a certificate signed by the President or Chief Financial Officer of each Borrower to the effect that such projections have been prepared on the basis of sound financial planning practice consistent with past budgets and financial statements and that such officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared. In addition, Borrowers shall furnish Agent, no later than February 28, 2001, such Projections for fiscal year 2001.

9.12. Variances From Operating Budget. Furnish Agent, concurrently with the delivery of the financial statements referred to in Section 9.6 and each monthly report, a written report summarizing all material variances from budgets submitted by Borrowers pursuant to Section 9.11 and a discussion and analysis by management with respect to such variances.

9.13. Notice of Suits, Adverse Events. Furnish Agent with prompt notice of (i) any lapse

or other termination of any Consent issued to any Borrower by any Governmental Body or any other Person that is material to the operation of any Borrower's business, (ii) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (iii) copies of any periodic or special reports filed by any Borrower with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Borrower, or if copies thereof are requested by Lender, and (iv) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Borrower.

9.14. ERISA Notices and Requests. Furnish Agent with immediate written notice in the event that (i) any Borrower or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred together with a written statement describing such transaction and the action which such Borrower or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (ii) the establishment of any new Plan or the commencement of contributions to any Plan (in both cases, which is subject to the minimum funding requirements of Part 3 of Subtitle B of Title I of ERISA or subject to Section 412 of the Code) to which any Borrower or any member of the Controlled Group was not previously contributing shall occur, and (iii) any Borrower or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a Plan under Section 401(a) of the Code, together with copies of each such letter.

9.15. Guarantor Information. Cause each Guarantor to deliver to Agent on or before April 15 of each calendar year, such Guarantor's state and federal tax returns and personal financial statement (in form acceptable to Agent).

9.16. Additional Documents. Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, reasonably request to carry out the purposes, terms or conditions of this Agreement (including, without limitation, daily cash and sales reports).

X. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1. failure by any Borrower to pay any principal or interest on the Notes when due, whether at maturity or by reason of acceleration pursuant to the terms of this Agreement or by notice of intention to prepay, or by required prepayment; or failure to pay any other Obligations or liabilities or make any other payment, fee or charge provided for herein or in any Other Document within five (5) days of when due;

10.2. any representation or warranty made by any Borrower in this Agreement or any related agreement or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been misleading in any material respect on the date when made;

10.3. failure by any Borrower to (i) furnish financial information when due or if no specific due date is provided herein for the delivery of such financial information, within five (5) days after

such request, or (ii) permit the inspection of its books or records;

10.4. issuance of a notice of Lien, levy, assessment, injunction or attachment against a material portion of any Borrower's property unless it contested in good faith, stayed or bonded;

10.5. except as otherwise provided for in Sections 10.1 and 10.3, failure or neglect of any Borrower to perform, keep or observe any term, provision, condition, covenant herein contained, or contained in any Other Document; provided Borrowers shall have fifteen (15) Business Days from the earlier of notice or knowledge of any such failure to cure Borrowers' non-compliance with Sections 6.2, 6.3, 6.4, 6.6, 6.8, and 6.9;

10.6. any judgment or judgments are rendered or judgment liens filed against any Borrower or any Subsidiary of a Borrower, or any Guarantor, for an aggregate amount in excess of $250,000 which within forty-five (45) days of such rendering or filing is not either satisfied, stayed or discharged of record;

10.7. any Borrower shall (i) apply for, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of creditors, (iii) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (iv) be adjudicated a bankrupt or insolvent, (v) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vi) acquiesce to, or fail to have dismissed, within sixty (60) days, any petition filed against it in any involuntary case under such bankruptcy laws, (vii) suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, and such action shall not have been dismissed within sixty (60) days, or (viii) take any action for the purpose of effecting any of the foregoing;

10.8. any Borrower shall admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business;

10.9. (a) any Guarantor, shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, within sixty (60) days, any petition filed against it in any involuntary case under such bankruptcy laws, (viii) suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, and such action shall not have been dismissed within sixty (60) days, or (ix) take any action for the purpose of effecting any of the foregoing and (b) after the occurrence of an event described in subclause (a) above, Guarantors have not provided cash collateral to Agent in an amount equal to the then existing Liability Limit (as defined in the Guaranty Agreements) within three (3) days of Agent's request therefor.

10.10. any change in any Borrower's condition or affairs (financial or otherwise) which results in a Material Adverse Effect;

10.11. any Lien created hereunder or provided for hereby or under any related agreement for any reason ceases to be or is not a valid and perfected Lien having a first priority interest (subject to the terms hereof);

10.12. a default of the obligations of any Borrower, any Subsidiary of a Borrower or any Guarantor under any other agreement to which it is a party shall occur which results in a Material Adverse Effect;

10.13. any Change of Control shall occur;

10.14. any material provision of this Agreement shall, for any reason, cease to be valid and binding on any Borrower, or any Borrower shall so claim in writing to Agent;

10.15. (i) any Governmental Body shall (A) revoke, terminate, suspend or adversely modify any license, permit, patent trademark or tradename of any Borrower, the continuation of which is material to the continuation of Borrowers' business taken as a whole, or (B) the staff of a Governmental Body issues a report recommending the termination, revocation, suspension or material, adverse modification of a patent necessary for the continuation of Borrowers' business as a whole; (ii) any agreement which is necessary or material to the operation of any Borrower's business shall be revoked or terminated and not replaced by a substitute acceptable to Agent within thirty (30) days after the date of such revocation or termination, and such revocation or termination and non-replacement would reasonably be expected to have a Material Adverse Effect on Borrowers, as a whole;

10.16. any portion of the Collateral shall be seized or taken by a Governmental Body, or any Borrower or the title and rights of any Borrower or any Original Owner which is the owner of any material portion of the Collateral shall have become the subject matter of litigation which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents;

10.17. an event or condition specified in Sections 7.15 or 9.14 hereof shall occur or exist with respect to any Plan and, as a result of such event or condition, together with all other such events or conditions, any Borrower or any member of the Controlled Group shall incur, or in the opinion of Agent be reasonably likely to incur, a liability to a Plan which, in the reasonable judgment of Agent, would have a Material Adverse Effect on Borrowers, as a whole; or

10.18 an Event of Default (as described in the Guaranty Agreement) occurs under a Guaranty Agreement resulting from Guarantors failure to make a payment thereunder.

10.19 an event of default occurs, and all cure and grace periods have expired, under any other agreement and arrangement, now or hereafter entered into between any Borrower and Agent or any Lender.

XI. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

11.1. Rights and Remedies. Upon the occurrence of (i) an Event of Default pursuant to Section 10.7 all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated; and, (ii) any of the other

Events of Default and at any time thereafter (such default not having previously been cured), Agent shall have the right to decrease the Receivables Advance Rate and at the option of Required Lenders all Obligations shall be immediately due and payable and Lenders shall have the right to terminate this Agreement and to terminate the obligation of Lenders to make Advances and (iii) a filing of a petition against any Borrower in any involuntary case under any state or federal bankruptcy laws, the obligation of Lenders to make Advances hereunder shall be terminated other than as may be required by an appropriate order of the bankruptcy court having jurisdiction over any Borrower. Upon the occurrence of any Event of Default, Agent shall have the right to exercise any and all other rights and remedies provided for herein, under the Uniform Commercial Code and at law or equity generally, including, without limitation, the right to foreclose the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any of any Borrower's premises or other premises without legal process and without incurring liability to any Borrower therefor, and Agent may thereupon, or at any time thereafter, in its discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Borrowers to make the Collateral available to Agent at a convenient place. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Borrowers reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Borrowers at least seven (7) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and such right and equity are hereby expressly waived and released by each Borrower. In connection with the exercise of the foregoing remedies, Agent is granted permission to use all of each Borrower's trademarks, trade styles, trade names, patents, patent applications, licenses, franchises and other proprietary rights which are used in connection with (a) Inventory for the purpose of disposing of such Inventory and (b) Equipment for the purpose of completing the manufacture of unfinished goods. The proceeds realized from the sale of any Collateral shall be applied as follows: first, to the reasonable costs, expenses and attorneys' fees and expenses incurred by Agent for collection and for acquisition, completion, protection, removal, storage, sale and delivery of the Collateral; second, to interest due upon any of the Obligations and any fees payable under this Agreement; and, third, to the principal of the Obligations. If any deficiency shall arise, Borrowers shall remain liable to Agent and Lenders therefor.

11.2. Agent's Discretion. Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify or to take any other action with respect thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder. Nothing contained in this Agreement or the Other Documents shall be deemed to compel Agent to accept a cure of any Event of Default.

11.3. Setoff. In addition to any other rights which Agent or any Lender may have under applicable law, upon the occurrence of an Event of Default hereunder, Agent and such Lender shall have a right to apply any Borrower's property held by Agent and such Lender to reduce the Obligations.

11.4. Rights and Remedies not Exclusive. The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any right or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

XII. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1. Waiver of Notice. Each Borrower hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2. Delay. No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any default.

12.3. JURY WAIVER. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

XIII. EFFECTIVE DATE AND TERMINATION.

13.1. Term. This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Borrower, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until December 31, 2003 (the "Initial Term") or sooner terminated as herein provided. Agent and Lenders may, at their sole and absolute option, elect to renew and extend this Agreement for additional one (1) year periods (each a "Renewal Term") upon such terms and conditions acceptable to Agent, Lenders and Borrowers. Agent and Lenders shall endeavor to provide notice to Borrowing Agent prior to December 31, 2002 (and at each time in the future at which time there are two (2) years remaining under the Terms of this Agreement, if any), of its intention to either renew or not renew this Agreement beyond the Initial Term or then applicable Renewal Term (if any), but failure to provide such notice shall not result in any liability on the part of Agent and/or any Lender or result in any extension of this Agreement. Borrowers may terminate this Agreement at any time upon ninety (90)

days' prior written notice upon payment in full of the Obligations. In the event the Obligations are prepaid and refinanced with another financial institution in full prior to the last day of the Term (the date of such prepayment hereinafter referred to as the "Early Termination Date"), Borrowers shall pay to Agent for the benefit of Lenders an early termination fee in an amount equal to (x) 2.0% of the Maximum Loan Amount if the Early Termination Date occurs on or after the Closing Date to and including the date immediately preceding the first anniversary of the Closing Date, (y) 1.0% of the Maximum Loan Amount if the Early Termination Date occurs on or after the first anniversary of the Closing Date to and including the date immediately preceding the second anniversary of the Closing Date, and (z) 0.5% of the Maximum Loan Amount if the Early Termination Date occurs on or after the second anniversary of the Closing Date to and including the date immediately preceding the last day of the Term.

13.2. Termination. The termination of the Agreement shall not affect any Borrower's, Agent's or any Lender's rights, or any of the Obligations having their inception prior to the effective date of such termination, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created or Obligations have been fully disposed of, concluded or liquidated. The security interests, Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrowers' Account may from time to time be temporarily in a zero or credit position, until all of the Obligations (other than indemnity obligations hereunder that survive the termination of this Agreement) of each Borrower have been paid or performed in full after the termination of this Agreement or each Borrower has furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders with respect thereto. Accordingly, each Borrower waives any rights which it may have under Section 9-404(1) of the Uniform Commercial Code to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Borrower, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations paid in full in immediately available funds. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are paid or performed in full.

XIV. REGARDING AGENT.

14.1. Appointment. Each Lender hereby designates PNC to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees charges and collections (without giving effect to any collection days) received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including without limitation, collection of the Note) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Other Documents or applicable law unless Agent is furnished with an indemnification reasonably satisfactory to Agent with respect thereto.

14.2. Nature of Duties. Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross (not mere) negligence or willful misconduct, or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Borrower or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, due execution, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of any Borrower to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Borrower. The duties of Agent as respects the Advances to Borrowers shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement except as expressly set forth herein.

14.3. Lack of Reliance on Agent and Resignation. Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Borrower in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Borrower. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Borrower pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectibility or sufficiency of this Agreement or any Other Document, or of the financial condition of any Borrower, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Note, the Other Documents or the financial condition of any Borrower, or the existence of any Event of Default or any Default.

Agent may resign on sixty (60) days' written notice to each of Lenders and Borrowing Agent and upon such resignation, the Required Lenders (and prior to the occurrence and continuance of an Event of Default, with Borrowers' consent, which consent will not be unreasonably withheld, delayed or conditioned), will promptly designate a successor Agent reasonably satisfactory to Borrowers.

Any such successor Agent shall succeed to the rights, powers and duties of Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. After any Agent's resignation as Agent, the provisions of this Article XIV shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

14.4. Certain Rights of Agent. If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

14.5. Reliance. Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

14.6. Notice of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or a Borrower referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of Lenders.

14.7. Indemnification. To the extent Agent is not reimbursed and indemnified by Borrowers, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the Advances (or, if no Advances are outstanding, according to its Commitment Percentage), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that, Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross (not mere) negligence or willful misconduct.

14.8. Agent in its Individual Capacity. With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Borrower as if it were not performing the duties specified herein, and may accept fees and other consideration from any Borrower for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.9. Delivery of Documents. To the extent Agent receives financial statements required

under Sections 9.6, 9.7, and 9.8 from any Borrower pursuant to the terms of this Agreement, Agent will promptly furnish such documents and information to Lenders.

14.10. Borrowers' Undertaking to Agent. Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Borrower hereby undertakes with Agent to pay to Agent from time to time on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Borrower's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

14.11. Miscellaneous.

(a) Agent shall administer this Agreement and the Other Documents and service the Obligations with the same degree of care as Agent would use in servicing a loan of similar size and type held for its own account.

(b) Agent and Lenders have agreed that Agent shall administer the Advances and maintain records in connection with Advances in accordance with this Agreement and that the relationship between Agent and Lenders with respect to Advances shall be only as provided in this Agreement.

(c) Agent shall hold in its possession, at its offices at, or at such other location as Agent shall designate in writing, the originals of this Agreement and the Other Documents (except for the Notes), for the benefit of itself and Lenders. Agent shall keep and maintain complete and accurate files and records of all matters pertaining to the Advances. Upon reasonable prior notice to Agent, the files and records shall be made available to any Lender and its representatives and agents for inspection and copying during normal business hours.

(d) Except as otherwise expressly provided for in this Agreement, Agent shall have the right, in its sole discretion, in each instance: (i) receive, review and process all documents, certificates, opinions, insurance policies, reports, requisitions and other materials of every nature and description submitted by, or on behalf of, Borrowers or any other party, and distribute same for review by Lenders; (ii) fund the Advances in accordance with the provisions of this Agreement and the Other Documents; (iii) receive all payments of principal, interest, fees and other charges paid by, or on behalf of, Borrowers and distribute such funds to Lenders as specifically required in this Agreement; (iv) enforce all of the rights, remedies and privileges afforded or available to Lenders under the terms of this Agreement and the Other Documents, any opinion, certificates, warranties, representations or insurance policies furnished by or on behalf of Borrowers or any other party (but only after election to declare an Event of Default or Default and/or to accelerate the Obligations as provided in this Agreement); and (v) do or refrain from doing all such other acts as may be reasonably necessary or incident to the implementation, administration or servicing of the Advances and the enforcement of the rights and remedies of Lenders.

(e) In no event shall Agent be required to take any action which exposes the directors, officers, agents or employees of Agent to personal liability or which is contrary to this Agreement or the Other Documents or applicable law. In acting hereunder as Agent (including, without limitation, the taking and holding of the Collateral), Agent shall be acting for the account of and as agent for all Lenders, to the extent of their respective pro rata shares in the Advances.

(f) In the event that all or any portion of the Collateral is acquired by Agent as the result of a foreclosure or the acceptance of a deed or assignment in lieu of foreclosure, or is retained in satisfaction of all or any part of Borrowers' Obligations, title to any such Collateral or any portion thereof shall be held in the name of Agent or a nominee or subsidiary of Agent (which in any case is authorized to do business in the state in which such Collateral is located), in any case as agent, for the ratable benefit of Agent and Lenders. Agent shall manage, operate, repair, administer, complete, construct, restore or otherwise deal with the Collateral acquired and administer all transactions relating thereto in its reasonable business judgment, including, without limitation, if Agent so determines, employing a management agent and other agents, contractors and employees, including agents for the same of such Collateral, and the collecting of rents and other sums from such Collateral and paying the expense of such Collateral. Upon demand therefor by Agent from time to time, each Lender will contribute its pro rata share of all costs and expenses incurred by Agent in connection with the construction, operation, management, maintenance, leasing and sale of such Collateral. In addition, Agent shall render or cause to be rendered by Agent, to each Lender, monthly, an income and expense statement for such Collateral, and each Lender shall promptly contribute its pro rata share of any operating loss for such Collateral, and such other expenses and operating reserves as Agent shall deem reasonably necessary. Lenders acknowledge that if title to any Collateral is obtained by Agent or its nominee, such Collateral will not be held as a permanent investment but will be liquidated as soon as practicable. Agent shall undertake to sell such Collateral, at such price and upon such terms and conditions as the Required Lenders shall reasonably determine to be most advantageous.

XV. BORROWING AGENCY.

15.1. Borrowing Agency Provisions.

(a) Each Borrower hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to borrow, sign and endorse notes, and execute and deliver all instruments, documents, writings and further assurances now or hereafter required hereunder, on behalf of such Borrower or Borrowers, and hereby authorizes Agent to pay over or credit all loan proceeds hereunder in accordance with the request of Borrowing Agent.

(b) The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to Borrowers and at their request. Neither Agent nor any Lender shall incur liability to Borrowers as a result thereof. To induce Agent and Lenders to do so and in consideration thereof, each Borrower hereby indemnifies Agent and each Lender and holds Agent and each Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Agent or any Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers as provided herein, reliance by Agent or any Lender on any request or instruction from Borrowing Agent or any other action taken by Agent or any Lender with respect to this Section 15.1 except due to willful misconduct or gross (not mere) negligence by the indemnified party.

(c) All Obligations of Borrowers shall be joint and several, and each Borrower shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Borrower shall in no way be affected by any extensions, renewals and forbearance granted to Agent or any Lender to any Borrower, failure of Agent or any

Lender to give any Borrower notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any Borrower, the release by Agent or any Lender of any Collateral now or thereafter acquired from any Borrower, and such agreement by each Borrower to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent or any Lender to the other Borrowers or any Collateral for such Borrower's Obligations or the lack thereof.

15.2. Waiver of Subrogation. Each Borrower expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Borrower may now or hereafter have against the other Borrowers or other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Borrowers' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and repayment in full of the Obligations.

XVI. MISCELLANEOUS.

16.1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. Any judicial proceeding brought by or against any Borrower with respect to any of the Obligations, this Agreement or any related agreement may be brought in any court of competent jurisdiction in the Commonwealth of Pennsylvania, United States of America, and, by execution and delivery of this Agreement, each Borrower accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Borrower hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Borrowing Agent at its address set forth in Section 16.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at the Agent's and/or any Lender's option, by service upon Borrowing Agent which each Borrower irrevocably appoints as such Borrower's Agent for the purpose of accepting service within the Commonwealth of Pennsylvania. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Borrower in the courts of any other jurisdiction. Each Borrower waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Any judicial proceeding by any Borrower against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a federal or state court located in the County of Philadelphia, Commonwealth of Pennsylvania .

16.2. Entire Understanding. (a) This Agreement and the documents executed concurrently herewith contain the entire understanding between each Borrower, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing, signed by each Borrower's, Agent's and each Lender's respective officers. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Each Borrower acknowledges that it has been advised by counsel in

connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) The Required Lenders, Agent with the consent in writing of the Required Lenders, and Borrowers may, subject to the provisions of this Section 16.2 (b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by Borrowers, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Borrowers thereunder or the conditions, provisions or terms thereof of waiving any Event of Default thereunder, but only to the extent specified in such written agreements; provided, however, that no such supplemental agreement shall, without the consent of all Lenders:

(i) increase the Commitment Percentage or maximum dollar commitment of any Lender.

(ii) extend the maturity of any Note or the due date for any amount payable hereunder, or decrease the rate of interest or reduce any fee payable by Borrowers to Lenders pursuant to this Agreement.

(iii) alter the definition of the term Required Lenders or alter, amend or modify this Section 16.2(b).

(iv) release any Collateral during any calendar year (other than in accordance with the provisions of this Agreement) having an aggregate value in excess of $1,000,000.

(v) change the rights and duties of Agent.

(vi) permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances outstanding hereunder would exceed the Formula Amount for more than thirty (30) consecutive Business Days or exceed 105% of the Formula Amount.

(vii) increase the Advance Rates above the Advance Rates in effect on the Closing Date.

Any such supplemental agreement shall apply equally to each Lender and shall be binding upon Borrowers, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Borrowers, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

In the event that Agent requests the consent of a Lender pursuant to this Section 16.2 and such Lender shall not respond or reply to Agent in writing within ten (10) Business Days of delivery of such request, such Lender shall be deemed to have consented to matter that was the subject of the request. In the event that Agent requests the consent of a Lender pursuant to this Section 16.2 and such consent is denied, then PNC may, at its option, require such Lender to assign its interest in the Advances to PNC or to another Lender or to any other Person designated by the Agent (the

"Designated Lender"), for a price equal to the then outstanding principal amount thereof plus accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Borrowers. In the event PNC elects to require any Lender to assign its interest to PNC or to the Designated Lender, PNC will so notify such Lender in writing within forty five (45) days following such Lender's denial, and such Lender will assign its interest to PNC or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender, PNC or the Designated Lender, as appropriate, and Agent.

Notwithstanding the foregoing, Agent may at its discretion and without the consent of the Required Lenders, voluntarily permit the outstanding Revolving Advances at any time to exceed the Formula Amount by up to the lesser of 105% of the Formula Amount or $1,000,000 for up to thirty (30) consecutive Business Days. For purposes of the preceding sentence, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be "Eligible Receivables" becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances to exceed the Formula Amount by more than 10%, Agent shall decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess. Revolving Advances made after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence. Nothing herein shall be deemed to restrict the ability of Revolving Advances to be deemed to be made pursuant to the second sentence of Section 2.2.

16.3. Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of Borrowers, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns, except that no Borrower may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(b) Each Borrower acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to other financial institutions (each such transferee or purchaser of a participating interest, a "Transferee"); provided however (i) all amounts payable by Borrowers to each Lender shall be determined as if such Lender had not granted such participation and (ii) any agreement pursuant to which any Lender may grant a participation: (A) shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of Borrowers hereunder including without the right to approve to any modification, amendment or waiver of any provisions of this Agreement and (B) such participation may provide that such Lender will not agree to any amendment, modification or waiver of this Agreement without the consent of the Transferee if such amendment, modification or waiver would reduce the principal of or rate of interest on the Obligations, increase the amount of the Maximum Loan Amount, postpone the date fixed for any scheduled payment of principal of or interest on the Obligations, or release any Collateral hereunder. Each Transferee may exercise all rights of payment (including without limitation rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Transferee were the direct holder thereof provided that Borrowers shall not be

required to pay to any Transferee more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Transferee had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder and in no event shall Borrowers be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Transferee. Each Borrower hereby grants to any Transferee a continuing security interest in any deposits, moneys or other property actually or constructively held by such Transferee as security for the Transferee's interest in the Advances.

(c) Any Lender may with the consent of Agent (and prior to the occurrence of an Event of Default or Default, Borrowing Agent) which shall not be unreasonably withheld or delayed sell, assign or transfer all or any part of its rights under this Agreement and the Other Documents to one or more additional banks or financial institutions and one or more additional banks or financial institutions may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than $5,000,000, pursuant to a commitment transfer supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such commitment transfer supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such commitment transfer supplement, have the rights and obligations of a Lender thereunder with a Commitment Percentage as set forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such commitment transfer supplement, be released from its obligations under this Agreement, the commitment transfer supplement creating a novation for that purpose. Such commitment transfer supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers hereby consent to the addition of such Purchasing Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Borrowers shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Agent shall maintain at its address a copy of each commitment transfer supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Advances owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrowers, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrowers or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of $3,500 payable by the applicable Purchasing Lender upon the effective date of each transfer or assignment to such Purchasing Lender.

(e) Each Borrower authorizes each Lender to disclose to any Transferee or Purchasing Lender and any prospective Transferee or Purchasing Lender any and all financial information in such Lender's possession concerning such Borrower which has been delivered to such Lender by or on behalf of such Borrower pursuant to this Agreement or in connection with such Lender's credit evaluation of such Borrower, subject to a confidentiality arrangement between such Lender and prospective Transferee.

16.4. Application of Payments. Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Borrower makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Borrower's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

16.5. Indemnity. Each Borrower shall indemnify Agent, each Lender and each of their respective officers, directors, Affiliates, employees and agents from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees and disbursements of counsel) which may be imposed on, incurred by, or asserted against Agent or any Lender in any litigation, proceeding or investigation instituted or conducted by any governmental agency or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto, except to the extent that any of the foregoing arises out of the willful misconduct of the party being indemnified.

16.6. Notice. Any notice or request hereunder may be given to any Borrower or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section. Any notice or request hereunder shall be given by (a) hand delivery, (b) overnight courier, (c) registered or certified mail, return receipt requested, or (d) telecopy to the number set out below (or such other number as may hereafter be specified in a notice designated as a notice of change of address) with electronic confirmation of its receipt. Any notice or other communication required or permitted pursuant to this Agreement shall be deemed given (a) when personally delivered to any officer of the party to whom it is addressed, (b) on the earlier of actual receipt thereof or three (3) days following posting thereof by certified or registered mail, postage prepaid, or (c) upon actual receipt thereof when sent by a recognized overnight delivery service or (d) upon actual receipt thereof when sent by telecopier to the number set forth below with electronic confirmation of its receipt, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

(A)	If to Agent or PNC at:	PNC Bank, National Association 1600 Market Street Philadelphia, PA 19103 Attention: Craig T. Sheetz, Vice President Telephone: 215-585-5231 Telecopier: 215-585-4771
	with a copy to:	Blank Rome Comisky & McCauley LLP One Logan Square Philadelphia, PA 19103 Attention: Lawrence F. Flick, II, Esquire Telephone: (215) 569-5556

Telecopier: (215) 569-5522

(B) If to a Lender other than Agent, as specified on the signature pages hereof

(C) If to Borrowing Agent or any Borrower, at:

Bentley Systems, Incorporated
685 Stockton Drive
Exton, PA 19341
Attention: Chief Financial Officer
Telephone: (610) 458-5000
Telecopier: (610) 458-1060

with a copy to:

Bentley Systems, Incorporated
685 Stockton Drive
Exton, PA 19341
Attention: General Counsel
Telephone: (610) 458-5000
Telecopier: (610) 458-1060

with a copy to:

Drinker Biddle & Reath, LLP
One Logan Square
Philadelphia, PA 19103
Attention: Samuel Mason, Esquire
Telephone: (215) 988-2642
Telecopier: (215) 988-2757

16.7. Survival. The obligations of Borrowers under Sections 3.9, 4.19(h), 14.7 and 16.5 shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

16.8. Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

16.9. Expenses. All costs and expenses including, without limitation, reasonable attorneys' fees (including the allocated costs of in-house counsel) and disbursements incurred by Agent and Agent on behalf of Lenders and Lenders, (a) in all efforts made to enforce payment of any Obligation or effect collection of any Collateral, or (b) in connection with the entering into, modification, amendment, administration and enforcement of this Agreement or any consents or waivers hereunder and all related agreements, documents and instruments, or (c) in instituting, maintaining, preserving, enforcing and foreclosing on Agent's security interest in or Lien on any of the Collateral, whether through judicial proceedings or otherwise, or (d) in defending or prosecuting any actions or proceedings arising out of or relating to Agent's or any Lender's transactions with any Borrower, or (e) in connection with any advice given to Agent or any Lender with respect to its rights and obligations under this Agreement and all related agreements, may be charged to Borrowers' Account and shall be part of the Obligations.

16.10. Injunctive Relief. Each Borrower recognizes that, in the event any Borrower fails to

perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy at law may prove to be inadequate relief to Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

16.11. Consequential Damages. Neither Agent nor any Lender, nor any agent or attorney for any of them, shall be liable to any Borrower for consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations.

16.12. Captions. The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

16.13. Counterparts; Telecopied Signatures. This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

16.14. Construction. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

16.15. Confidentiality; Sharing Information. (a) Agent, each Lender and each Transferee shall hold all non-public information obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent's, such Lender's and such Transferee's customary and reasonable procedures for handling confidential information who need to know such information in connection with this Agreement of this nature; provided, however, Agent, each Lender and each Transferee may disclose such confidential information (a) to its examiners, affiliates, outside auditors, counsel and other professional advisors, (b) to Agent, any Lender or to any prospective Transferees and Purchasing Lenders, and (c) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further that (i) unless specifically prohibited by applicable law or court order, Agent, each Lender and each Transferee shall use its best efforts prior to disclosure thereof, to notify the applicable Borrower of the applicable request for disclosure of such non-public information (A) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of a Lender or a Transferee by such Governmental Body) or (B) pursuant to legal process and (ii) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Borrower other than those documents and instruments in possession of Agent or any Lender in order to perfect its Lien on the Collateral once the Obligations have been paid in full and this Agreement has been terminated.

(b) Each Borrower acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Borrower or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each Borrower hereby authorizes each Lender to share any information delivered to such Lender by such Borrower and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any

such Subsidiary or Affiliate of such Lender, it being understood that any such Subsidiary or Affiliate of any Lender receiving such information shall be bound by the provision of Section 16.15 as if it were a Lender hereunder. Such authorization shall survive the repayment of the other Obligations and the termination of the Loan Agreement.

16.16. Publicity. Each Borrower and each Lender hereby authorizes Agent to make appropriate announcements of the financial arrangement entered into among Borrowers, Agent and Lenders, including, without limitation, announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole and absolute discretion deem appropriate.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, each of the parties has signed this Agreement as of the day and year first above written.

BORROWERS:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation
Name: David Nation
Title: Senior Vice President

BENTLEY SOFTWARE, INC.

By: /s/ David Nation
Name: David Nation
Title: Vice President

ATLANTECH SOLUTIONS, INC.

By: /s/ David Nation
Name: David Nation
Title: Vice President

AGENT:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Thomas A. Gutman
Name: Thomas A. Gutman
Title: Vice President

SIGNATURES CONTINUE ON FOLLOWING PAGE

LENDERS: PNC BANK, NATIONAL ASSOCIATION

By: /s/ Thomas A. Gutman

Name: Thomas A. Gutman

Title: Vice President

Address: PNC Bank, National Association
1600 Market Street
Philadelphia, PA 19103
Attn: Craig T. Scheetz, Vice President
Facsimile: 215-585-4771

Commitment Percentage 53.125%

CITICORP USA, INC.

By: /s/ Juan Carlos Lorenzo

Name: Juan Carlos Lorenzo

Title: Vice President

Address: 153 East 53rd Street
25th Floor, Zone 5
New York, NY 10043
Attn: Juan Carlos Lorenzo, Vice President
Facsimile: 212-527-9106

Commitment Percentage 46.875%

List of Exhibits and Schedules

Exhibits

Exhibit 2.1(a)	Revolving Credit Note
Exhibit A	Borrowing Base Certificate
Exhibit B	Acquisition Conditions

Schedules

Schedule A	Original Owners
Schedule 1.2	Permitted Encumbrances
Schedule 4.5	Equipment and Inventory Locations
Schedule 4.15(c)	Location of Executive Offices
Schedule 4.19	Real Property
Schedule 5.2(a)	States of Qualification and Good Standing
Schedule 5.2(b)	Subsidiaries
Schedule 5.4	Federal Tax Identification Number
Schedule 5.6	Prior Names
Schedule 5.8(b)	Litigation & Indebtedness
Schedule 5.8(d)	Plans
Schedule 5.9	Intellectual Property, Source Code Escrow Agreements
Schedule 5.10	Licenses and Permits
Schedule 5.14	Labor Disputes
Schedule 7.3	Guarantees
Schedule 7.4	Investments
Schedule 7.5	Loans to Third Persons

EXHIBIT B

REVOLVING CREDIT AND SECURITY AGREEMENT

Acquisition Conditions

1. Borrowers must provide to Agent the following at least five (5) days prior to an acquisition (all documents to be in form and substance satisfactory to Agent):

(a) A certificate from the chief financial officer of Bentley stating that the acquisition will not result in an Event of Default or a Default;

(b) Evidence satisfactory to Lender in Lender's sole and absolute discretion that the Future Acquired Company is free of any environmental concerns that would result in a material adverse effect upon such Future Acquired Company's business, operations or financial condition, and an indemnification of Agent and Lenders for any liabilities caused by any environmental liability; and

(c) The financial statements of the Future Acquired Company either (i) for the past three (3) fiscal years audited or reviewed by an independent, certified public accountant acceptable to Agent or (ii) accompanied by Borrowers' due diligence report with respect thereto in form and substance satisfactory to Agent.

2. Borrowers hereby agree to provide to Agent the following within ten (10) days after completion of an acquisition (all documents to be in form and substance satisfactory to Agent): a fully executed copy of the acquisition agreement and other acquisition documents certified to be true and correct by an authorized officer.

EXHIBIT 10.2

FIRST AMENDMENT TO
REVOLVING CREDIT AND SECURITY AGREEMENT

This First Amendment to Revolving Credit and Security Agreement ("Amendment") is made as of the 4th day of October, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation ("Bentley"), Bentley Software, Inc., a Delaware corporation ("Bentley Software"), and Atlantech Solutions, Inc., a Delaware corporation ("Atlantech") (each an "Borrower" and collectively "Borrowers"), the financial institutions which are now or which hereafter become a party hereto (collectively, the "Lenders" and individually a "Lender") and PNC Bank, National Association ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent").

BACKGROUND

A. Borrowers, Agent and Lenders are parties to a certain Revolving Credit and Security Agreement dated December 26, 2000 (as modified and amended from time to time, the "Loan Agreement") pursuant to which Borrowers established certain financing arrangements with Agent and Lenders. The Loan Agreement and all instruments, documents and agreements executed in connection therewith or related thereto are referred to herein collectively as the "Existing Loan Documents". All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Borrowers have requested and Lenders have agreed to amend the Agreement subject to the terms and conditions of this Amendment.

NOW, THEREFORE, with the foregoing Background incorporated by reference and made a part hereof and intending to be legally bound, the parties agree as follows:

1. Amendment. The Loan Agreement is hereby amended and modified in the following manner:

(a) Foreign Non-Product Receivable. The following new definition is added to Section 1.1 of the Loan Agreement:

> "Foreign Non-Product Receivable" shall mean a Receivable generated by a Borrower's rendition of maintenance services, and owing from a Customer located outside of the United States and the sale is on letter of credit, guaranty, credit insurance or acceptance terms, in each case acceptable to Agent in its sole but reasonable discretion.

(b) Eligible Receivables. The definition of "Eligible Receivables" contained in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety as follows:

> "Eligible Receivables" shall mean and include with respect to each Borrower (or in the case of Foreign Product Receivables and Foreign Non-Product Receivables, a Subsidiary of a Borrower), each Domestic

Product Receivable, Domestic Non-Product Receivable, Foreign Product Receivable, or Foreign Non-Product Receivable of such Borrower or Subsidiary, as applicable, arising in the ordinary course of such Borrower's business and which Agent, in its sole but reasonable credit judgment in good faith, shall deem to be an Eligible Receivable, based on such considerations as Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to Agent's first priority perfected security interest (except with respect to Foreign Product Receivables and Foreign Non-Product Receivables) and no other Lien (other than Permitted Encumbrances), and is evidenced by an invoice or other documentary evidence satisfactory to Agent. In addition, no Receivable shall be an Eligible Receivable if:

(a) it arises out of a sale made by any Borrower to an Affiliate of any Borrower (except if such Person has executed a no offset agreement acceptable to Agent) or to a Person controlled by an Affiliate of any Borrower;

(b) if a Domestic Product Receivable, it is due or unpaid more than 120 days past the original invoice date or 90 days past the due date; if a Domestic Non-Product Receivable, it is due or unpaid more than 90 days past the original invoice date or 60 days past the due date; if a Foreign Product Receivable, it is due or unpaid more than the later of 90 days past the original invoice date or 180 days past the shipment date; if a Foreign Non-Product Receivable, is due or unpaid more than the later of 90 days past the original invoice date or 60 days past the due date;

(c) 50% or more of the Receivables from such Customer are not deemed Eligible Receivables hereunder;

(d) any covenant, representation or warranty contained in this Agreement with respect to such Receivable has been breached;

(e) the Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state or federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii)

acquiesce to, or fail to have dismissed, any petition which is filed against it in any involuntary case under such bankruptcy laws, or (viii) take any action for the purpose of effecting any of the foregoing;

(f) with respect to Domestic Product Receivables, the sale is to a Customer that does not have a substantive presence or assets within the continental United States of America, unless the sale is on letter of credit, guaranty or acceptance terms, in each case acceptable to Agent in its sole but reasonable discretion;

(g) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase or return basis or is evidenced by chattel paper;

(h) Agent believes, in its sole but reasonable judgment, that collection of such Receivable is insecure or that such Receivable may not be paid by reason of the Customer's financial inability to pay;

(i) the Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless either (a) the Receivable owing from such Customer is less than $10,000 (or such lesser amount as determined by Agent in its sole discretion), or (b) the applicable Borrower assigns its right to payment of such Receivable to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) ("Claims Act") or has otherwise complied with other applicable statutes or ordinances;

(j) the goods giving rise to such Receivable have not been shipped to the Customer or, except with respect to Domestic Non-Product Receivables and Foreign Non-Product Receivables, the services giving rise to such Receivable have not been performed by the applicable Borrower or the Receivable otherwise does not represent a final sale;

(k) the Receivables of the Customer exceed a credit limit determined by Agent, in its sole but reasonable discretion, to the extent such Receivable exceeds such limit;

(l) the Receivable is subject to any offset, credit or deduction outside of the ordinary course of business to the extent of such offset, credit or deduction; or subject to a defense, dispute, or counterclaim; or the Customer is also a creditor or supplier of a Borrower (unless such Customer has executed a no offset agreement in form reasonably acceptable to Agent), to the extent of the contra; or

the Receivable is contingent in any respect or for any reason;

(m) the applicable Borrower has made any agreement with the Customer owing the Receivable for any deduction therefrom, except for discounts or allowances made in the ordinary course of business for prompt payment, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(n) any return, rejection or repossession of the merchandise has occurred or the rendition of services has been disputed; or

(o) such Receivable is not otherwise satisfactory to Agent as determined in good faith by Agent in the exercise of its discretion in a reasonable manner.

(c) Foreign Product Receivables. The definition of "Foreign Product Receivable" contained in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety as follows:

"Foreign Product Receivable" shall mean a Receivable generated by a Borrower's or a Subsidiary's sale or license of software or services (other than maintenance services) or rendition of consulting or training services, and owing from a Customer located outside of the United States and the sale is on letter of credit, guaranty, credit insurance or acceptance terms, in each case acceptable to Agent in its sole but reasonable discretion.

2. Effectiveness Conditions. This Amendment shall be effective upon the satisfaction of the following conditions precedent (as determined in Agent's sole discretion and all documents to be in form and substance satisfactory to Agent and Agent's counsel):

(a) Execution by Borrowers and Lenders and delivery to Agent of this Amendment;

(b) No Default or Event of Default shall have occurred under the Existing Loan Documents; and

(c) Such other documents, instruments and agreements which Agent requests (in its sole and absolute discretion).

3. Representations and Warranties. Each Borrower jointly and severally represents and warrants to Agent and Lenders that:

(a) All warranties and representations made to Agent and Lenders under the Existing Loan Documents are true and correct as of the date hereof as though made on the date

hereof.

(b) The execution and delivery by each Borrower of this Amendment and the performance by each of them of the transactions herein contemplated (i) are and will be within each Borrower's powers, (ii) have been authorized by all necessary action and (iii) are not and will not be in contravention of any law, any order of any court or other agency of government, or any other indenture, agreement or undertaking to which any Borrower is a party or by which the property of any Borrower is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or undertaking or result in the imposition of any lien, charge or encumbrance of any nature on any of the properties of any Borrower.

(c) This Amendment and any assignment, instrument, document, or agreement executed and delivered in connection herewith, are the valid and binding obligations of Borrowers and are enforceable against Borrowers in accordance with their respective terms.

(d) No Default or Event of Default has occurred under the Existing Loan Documents.

4. Collateral. As security for the timely payment of the Obligations and satisfaction by Borrowers of all covenants and undertakings contained in the Existing Loan Documents, each Borrower reconfirms the prior security interest and a continuing first lien on and upon and to, its Collateral, whether now owned or hereafter acquired, created or arising and wherever located. Borrowers each hereby confirm and agree that all security interests and Liens granted to Agent, for the benefit of Lenders, continue in full force and effect and shall continue to secure the Obligations. All Collateral remains free and clear of any Liens other than Permitted Encumbrances. Nothing herein contained is intended to in any manner impair or limit the validity, priority and extent of Agent's existing security interest in and Liens upon the Collateral.

5. Ratification of Existing Loan Documents. Except as expressly set forth herein, all of the terms and conditions of the Existing Loan Documents are hereby ratified and confirmed and continue unchanged and in full force and effect. All references to the Loan Agreement shall mean the Loan Agreement as modified by this Amendment.

6. Governing Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same respective agreement. Signature by facsimile shall bind the parties hereto.

8. WAIVER OF JURY TRIAL. EACH BORROWERS, AGENT AND LENDERS WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AMENDMENT OR THE TRANSACTIONS DESCRIBED HEREIN.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

BORROWERS:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Name: David Nation

Title: Senior Vice President

BENTLEY SOFTWARE, INC.

By: /s/ David Nation

Name: David Nation

Title: Vice President

ATLANTECH SOLUTIONS, INC.

By: /s/ David Nation

Name: David Nation

Title: Vice President

AGENT:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Craig T. Sheetz

Name: Craig T. Sheetz

Title: Vice President

LENDERS:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Craig T. Sheetz

Name: Craig T. Sheetz

Title: Vice President

CITICORP USA, INC.

By: /s/ Andrew J. Preston

Name: Andrew J. Preston

Title: Vice - President

Exhibit 10.3

SECOND AMENDMENT AND JOINDER TO
REVOLVING CREDIT AND SECURITY AGREEMENT

This Second Amendment and Joinder to Revolving Credit and Security Agreement ("Amendment") is made as of the 4th day of February, 2002 by and among Bentley Systems, Incorporated, a Delaware corporation ("Bentley"), Bentley Software, Inc., a Delaware corporation ("Bentley Software"), and Atlantech Solutions, Inc., a Delaware corporation ("Atlantech") (each an "Existing Borrower" and collectively "Existing Borrowers"), GEOPAK Corporation, a Delaware corporation formerly known as G-P Acquisition Sub, Inc. ("Joining Borrower" and together with Existing Borrowers, the "Borrowers"), the financial institutions which are now or which hereafter become a party hereto (collectively, the "Lenders" and individually a "Lender") and PNC Bank, National Association ("PNC"), as agent for Lenders (PNC, in such capacity, the "Agent").

BACKGROUND

A. Existing Borrowers, Agent and Lenders are parties to a certain Revolving Credit and Security Agreement dated December 26, 2000 (as has been and may hereafter be modified and amended from time to time, the "Loan Agreement") pursuant to which Existing Borrowers established certain financing arrangements with Agent and Lenders. The Loan Agreement and all instruments, documents and agreements executed in connection therewith or related thereto are referred to herein collectively as the "Existing Loan Documents". All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

B. Pursuant to the terms of the Agreement and Plan of Merger dated September 18, 2001 among Bentley, Joining Borrower, Geopak Corporation, a Florida corporation ("Old Geopak"), the stockholders of Old Geopak named therein (the "Acquisition Agreement"), Bentley, the owner of all of the outstanding capital stock of Joining Borrower, acquired Old Geopak by the merger of Old Geopak with and into Joining Borrower.

C. In recognition of the benefits and privileges thereunder, Joining Borrower and Existing Borrowers have requested that Joining Borrower join into the Existing Loan Documents as if an original signatory thereto.

D. Lenders has consented to Joining Borrower joining into the Existing Loan Documents subject to the terms and conditions of this Amendment.

NOW, THEREFORE, with the foregoing Background incorporated by reference and made a part hereof and intending to be legally bound, the parties agree as follows:

1. Joinder.

(a) Upon the effectiveness of this Amendment, Joining Borrower joins in as, assumes the obligations and liabilities of, adopts the obligations, liabilities and role of, and becomes a Borrower under the Existing Loan Documents. All references to Borrower or Borrowers contained in the Existing Loan Documents are hereby deemed for all purposes to also refer to and include Joining

Borrower as a Borrower and Joining Borrower, hereby agrees to comply with all of the terms and conditions of the Existing Loan Documents as if Joining Borrower were original signatories thereto.

(b) Without limiting the generality of the provisions of subparagraph (a) above, Joining Borrower is hereby liable, on a joint and several basis, along with all other Borrowers, for all Obligations, including, without limitation, all existing and future Advances and all other debts, liabilities and obligations incurred at any time by any one or more Borrowers under the Existing Loan Documents, as amended hereby or as may be hereafter amended, modified, supplemented or replaced.

2. Effectiveness Conditions. This Amendment shall be effective upon the satisfaction of the following conditions precedent (as determined in Agent's sole discretion and all documents to be in form and substance satisfactory to Agent and Agent's counsel):

(a) Execution by Borrowers, Lenders and delivery to Agent of this Amendment;

(b) Execution by Borrowers and delivery to Agent of amended and restated Revolving Credit Notes in favor of each Lender (collectively, the "Notes");

(c) Delivery of updated Schedules to the Loan Agreement ("Updated Schedules");

(d) Delivery of UCC-1 financing statements naming Joining Borrower as debtor and filed in all jurisdictions which Agent may deem appropriate;

(f) Delivery of certified copies of (i) resolutions of Joining Borrower's board of directors authorizing the execution of this Amendment, the Notes and all of the instruments, documents and agreements related hereto, and (ii) Joining Borrower's bylaws and certificate of organization;

(g) Delivery of incumbency certificates for Joining Borrower identifying all authorized officers and specimen signatures;

(h) Delivery of the executed legal opinions of Drinker Biddle & Reath LLP which shall cover such matters incident to the transactions contemplated by this Amendment, the Notes, the Acquisition Agreement and related agreements as Agent may reasonably require;

(i) Delivery of good standing certificates for Joining Borrower dated not more than thirty (30) days prior to the date of this Amendment, issued by the Secretary of State or other appropriate official of Joining Borrower's jurisdiction of incorporation or formation and each jurisdiction where the conduct of Joining Borrower's business activities or the ownership of its properties necessitates qualification;

(j) Delivery of Uniform Commercial Code financing statement, judgment and state and federal tax lien searches against Joining Borrower showing no Liens on any of the Collateral;

(k) No Default or Event of Default shall have occurred under the Existing Loan Documents;

(l) Delivery of final executed copies of the Acquisition Agreement and all related agreements, documents and instruments;

(m) Delivery of certified copies of Joining Borrower's casualty insurance policies, together with loss payable endorsements on Agent's standard form of lender's loss payee endorsement naming Agent as lender's loss payee, and certified copies of Joining Borrower's liability insurance policies, together with endorsements naming Agent as an additional insured (each in form and substance satisfactory to Agent);

(n) Since September 30, 2001, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect and no representations made or information supplied to Agent shall have been proven to be inaccurate or misleading in any material respect;

(o) Delivery of an updated Schedule I to the Collateral Pledge Agreement from Bentley to Agent along with all original capital stock certificates of Joining Borrower and stock powers for such capital stock duly endorsed in blank; and

(p) Such other documents, instruments and agreements which Agent requests (in its sole and absolute discretion).

3. Representations and Warranties. Each Borrower jointly and severally represents and warrants to Agent and Lenders that:

(a) All warranties and representations made to Agent and Lenders under the Existing Loan Documents are true and correct as of the date hereof as though made on the date hereof.

(b) The execution and delivery by each Borrower of this Amendment, the Notes, with respect to Bentley, the Acquisition Agreement and the performance by each of them of the transactions herein contemplated (i) are and will be within each Borrower's powers, (ii) have been authorized by all necessary action and (iii) are not and will not be in contravention of any law, any order of any court or other agency of government, or any other indenture, agreement or undertaking to which any Borrower is a party or by which the property of any Borrower is bound, or be in conflict with, result in a breach of, or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or undertaking or result in the imposition of any lien, charge or encumbrance of any nature on any of the properties of any Borrower.

(c) This Amendment, the Notes, with respect to Bentley and any assignment, instrument, document, or agreement executed and delivered in connection herewith, are the valid and binding obligations of Borrowers and are enforceable against Borrowers in accordance with their respective terms.

(d) No Default or Event of Default has occurred under the Existing Loan Documents.

4. Collateral. As security for the timely payment of the Obligations and satisfaction by Borrowers (including, without limitation, Joining Borrower) of all covenants and undertakings contained in the Existing Loan Documents, each Borrower reconfirms the prior security interest and lien on, and Joining Borrower hereby assigns and grants to Agent, for the benefit of Lenders, a continuing first lien on and upon and to, its Collateral, whether now owned or hereafter acquired, created or arising and wherever located. Borrowers (including, without limitation, Joining Borrower) each hereby confirm and agree that all security interests and Liens granted to Agent, for the benefit of Lenders, continue in full force and effect and shall continue to secure the Obligations. All Collateral remains free and clear of any Liens other than Permitted Encumbrances. Nothing herein contained is intended to in any manner impair or limit the validity, priority and extent of Agent's existing security interest in and Liens upon the Collateral.

5. Ratification of Existing Loan Documents. Except as expressly set forth herein, all of the terms and conditions of the Existing Loan Documents are hereby ratified and confirmed and continue unchanged and in full force and effect. All references to the Loan Agreement shall mean the Loan Agreement as modified by this Amendment.

6. Governing Law. This Amendment shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same respective agreement. Signature by facsimile shall bind the parties hereto.

8. WAIVER OF JURY TRIAL. EACH BORROWERS, AGENT AND LENDERS WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM OF ANY KIND ARISING OUT OF OR RELATED TO THIS AMENDMENT OR THE TRANSACTIONS DESCRIBED HEREIN.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

EXISTING BORROWERS: BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation
Name: David Nation
Title:

BENTLEY SOFTWARE, INC.

By: /s/ David Nation
Name: David Nation
Title:

ATLANTECH SOLUTIONS, INC.

By: /s/ James A. King
Name: James A. King
Title: Treasurer

JOINING BORROWER: GEOPAK CORPORATION

By: /s/ David Nation
Name: David Nation
Title:

AGENT: PNC BANK, NATIONAL ASSOCIATION

By: /s/ Craig T. Sheetz
Name: Craig T. Sheetz
Title: Vice President

LENDERS: PNC BANK, NATIONAL ASSOCIATION

By: /s/ Craig T. Sheetz
Name: Craig T. Sheetz
Title: Vice President

CITICORP USA, INC.

By: /s/ Andrew J. Preston

Name: Andrew J. Preston

Title: Vice President

Exhibit 10.4

PROMISSORY NOTE

$_____ August 6, 1999

FOR VALUE RECEIVED, [_____], ("Maker"), hereby unconditionally promises to pay to the order of Bentley Systems, Incorporated, a Delaware corporation ("Payee"), on the earlier of August 6, 2004 (the "Maturity Date"), the date specified in paragraph 5 below or upon the demand of the holder subsequent to an Event of Default (as defined in the Stock Pledge Agreement between Maker and Payee of even date herewith (the "Stock Pledge Agreement")), the principal amount of [_____] Dollars ($_____), together with interest on the outstanding principal balance hereof from time to time outstanding from the date hereof and until this Note is paid in full, whether before or after maturity, at the rate of six percent (6%) per annum, and, to the extent lawful, to pay interest at the same rate on any overdue installment of interest.

1. Interest shall be calculated on the basis of actual days elapsed and a year of 365 days and shall be paid on the business day coincident with or first following August 6, 2000 and August 6 of each year (or partial year) thereafter.

2. Payments of principal and interest shall be made in lawful money of the United States of America by cash or check at Bentley Systems, Incorporated, 690 Pennsylvania Drive, Exton, PA 19341 or at such other place as the holder of this Note shall designate to Maker in writing.

3. Maker may prepay this Note in whole or in part at any time without premium or penalty.

4. This Note is the note referred to in, and is entitled to the benefits of, and is secured as provided in, the Stock Pledge Agreement. Reference is hereby made to such agreement for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and the rights of the holder of this Note in respect thereof.

5. Upon the occurrence of any of the following events, all amounts payable hereunder shall, without notice or demand, become due and payable at such times as are indicated below, and the holder shall thereupon have all rights and remedies provided hereunder, in any other agreement between Payee and Maker or otherwise available at law or in equity:

(a) In the event Maker's employment with Payee terminates for any reason (including death) prior to the Maturity Date, the outstanding principal balance hereof, together with all accrued interest hereon, shall become due and payable not later than 90 days following the date of termination.

(b) In the event of a Change of Control of Payee, the outstanding principal balance hereof, together with all accrued interest hereon, shall become due and payable not later than 90 days following the Change of Control. A "Change of Control" shall be deemed to have taken place if:

(1) any person or entity, including a "group" (within the meaning of Rule 13d-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) but excluding Payee or any stockholder of Payee as of the date of this Agreement who are part of a "group" that controls Payee as of the date hereof, becomes the beneficial owner of shares of Payee having 50 percent or more of the total number of votes that may be cast for the election of directors of Payee;

(2) there occurs any cash tender or exchange offer for shares of Payee, merger or other business combination involving Payee, or sale of all or substantially all of the assets of Payee, or any combination of the foregoing transactions, and as a result of or in connection with any such event persons who were directors of Payee before the event shall cease to constitute a majority of the Board of Directors of Payee or any successor to Payee; or

(3) during any period of two consecutive calendar years beginning after the date of the initial public offering of the common stock of Payee, members of the Incumbent Board cease for any reason to constitute a majority of the Board. For this purpose, the "Incumbent Board" shall consist of the individuals who at the beginning of such period constitute the entire Board and any new director - other than a director (i) designated or nominated by, or affiliated with, a person who has entered into an agreement with Payee to effect a transaction described in (2) above, or (ii) who initially assumed office as result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 under the Exchange Act), or other actual or threatened solicitation of proxies or contest by or on behalf of a person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest - whose election by the Board or nomination for election by the stockholders of Payee was approved by a vote of at least 2/3rds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(4) As used in (1), (2), and (3) above, the terms "person" and "beneficial owner" have the same meaning as such terms under Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(c) Initial Public Offering. In the event of an initial public offering of equity securities of Payee which is registered under the Securities Act of 1933, as amended, the outstanding principal balance hereof, together with all accrued interest hereon, shall become due and payable no later than six months following the initial public offering.

6. No failure or delay on the part of the holder to insist on strict performance of Maker's obligations hereunder or to exercise any remedy shall constitute a waiver of the holder's rights in that or any other instance. No waiver of any of the holder's rights shall be effective unless in writing, and any waiver of any default or any instance of non-compliance shall be limited to its express terms and shall not extend to any other default or instance of non-compliance.

7. Maker and each endorser hereby waives presentment, notice of nonpayment or dishonor, protest, notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearances which may be allowed.

8. Any proceeding relating to this Note may be instituted in any federal court in the Eastern District of Pennsylvania or any state court located in Chester County in the Commonwealth of Pennsylvania and Maker irrevocably submits to the nonexclusive jurisdiction of any such court and waives any objection Maker may have to the conduct of any proceeding in any such court based on improper venue or forum non conveniens. Because of the greater time and expense required therefor, Maker hereby waives, to the extent permitted by law, a trial by jury.

9. Maker shall pay all reasonable costs and expenses (including attorneys' fees) incurred by the holder relating to the enforcement of this Note.

10. Any provision hereof found to be illegal, invalid or unenforceable for any reason whatsoever shall not affect the validity, legality or enforceability of the remainder hereof.

11. If the effective interest rate on this Note would otherwise violate any applicable usury law, then the interest rate shall be reduced to the maximum permissible rate and any payment received by the holder in excess of the maximum permissible rate shall be treated as a prepayment of the principal of this Note.

12. This Note shall be binding upon Maker's heirs, personal representatives and assigns and shall inure to the benefit of each holder of this Note and such holder's heirs, personal representatives, successors, endorsees and assigns.

13. This Note has been delivered in the Commonwealth of Pennsylvania and shall be governed by the laws of that Commonwealth.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, has duly executed and delivered this instrument.

By:

[---]

Schedule of Promissory Notes

The following schedule identifies the individuals that have executed Promissory Notes, dated August 6, 1999, payable to Bentley Systems, Incorporated, and the original principal amounts of those Notes.

Name:	Principal Amount of Promissory Note
Barry J. Bentley	$1,142,221
Gregory S. Bentley	$1,142,225
Keith A. Bentley	$1,142,221
Raymond B. Bentley	$571,111
Richard P. Bentley	$571,111
David G. Nation	$571,111

EXHIBIT 10.5

THIS SECURED NOTE IS SUBJECT TO THE TERMS OF THE STANDSTILL AGREEMENT, DATED AS OF DECEMBER 26, 2000, BY INTERGRAPH CORPORATION IN FAVOR OF PNC BANK, NATIONAL ASSOCIATION, FOR ITSELF AND AS AGENT

SECURED NOTE

Huntsville, Alabama
Date: December 1, 2000

FOR VALUE RECEIVED, Bentley Systems, Incorporated, a Delaware corporation ("Borrower"), promises to pay to the order of Intergraph Corporation, a Delaware corporation, at its principal place of business at One Madison Industrial Park, Huntsville, Alabama 35894-0001 for itself and on behalf of the other Selling Entities under the Asset Purchase Agreement described below ("Payee"), or its assigns, in lawful money of the United States of America and in immediately available funds, the sum of Eleven Million Eighty-seven Thousand One Hundred Twelve and no/100 Dollars ($11,087,112.00), as adjusted in accordance with the terms hereof, plus an amount equal to the RMR Principal (as defined herein), together with all other amounts payable hereunder.

Borrower further promises to pay interest at such address in like money, from the date hereof on the outstanding principal amount owing hereunder from time to time, at a rate per annum equal to nine and one-half percent (9.5%) per annum. Such interest shall be computed daily on the basis of a 360-day year and for the actual number of days elapsed. In no event shall interest hereunder exceed the maximum rate under applicable law.

This note is delivered pursuant to the Asset Purchase Agreement by and among Borrower, Payee and the other parties thereto dated as of December 26, 2000 (the "Asset Purchase Agreement"). Capitalized terms used but not defined herein have the meanings given them in the Asset Purchase Agreement.

On March 1, 2001, the principal balance owing under this Note shall, as applicable, be increased or decreased so as to equal one and one-half (1.5) times the Transferred Maintenance Revenues, such adjustment to be effective as of the date of this Note (any increase in such principal amount being referred to as the "Additional Principal"). If an adjustment to the principal balance of this Note occurs pursuant to the terms of the Asset Purchase Agreement on June 1, 2001, the principal balance owed under this Note shall, as applicable, be increased or decreased so as to equal one

and one-half (1.5) times the Transferred Maintenance Revenues, such adjustment to be effective as of the date of this Note. On February 1, 2002 the principal balance owing under this note shall be increased by an amount equal to one and one-half (1.5) times the Renewed Maintenance Revenues (the "RMR Principal"), such increase to be effective as of December 1, 2001.

Payments of principal and interest hereunder shall be made quarterly, on the first business day of each March, June, September and December after the date hereof until the maturity date. All principal, interest and other amounts owing hereunder shall be due and payable in full on December 1, 2003.

The amount of the first four (4) quarterly payments of principal and interest shall be One Million Seventy-three Thousand Nine Hundred Sixteen Dollars ($1,073,916.00). The amount of the quarterly payments of principal and interest after any adjustment made to the principal amount of this Note pursuant to the Asset Purchase Agreement shall be equal to the amount necessary to amortize the unpaid principal amount owing as of the date of any such adjustment, together with interest thereon at the rate provided herein, over the remaining quarterly periods by making equal payments of principal and interest on the dates provided for herein.

Borrower may prepay any amount then owing hereunder, in whole or in part, at any time, but if less than all, must do so in principal amount increments of 1,000,000; provided however, that Borrower may not prepay any of the Additional Principal or the RMR Principal prior to the time it has been determined hereunder.

This Note is the "Note" referred to in the Security Agreement and Borrower's obligations hereunder are secured thereby.

Borrower agrees that if (i) Borrower fails to pay, in accordance with the terms of this Note, any principal or interest within five (5) days after written notice from Payee that such amount remains unpaid following the date that such sum is due, or (ii) there is an Event of Default under the Security Agreement; then in any such event (each an "Event of Default") all amounts then remaining unpaid hereunder shall, at the option of Payee upon written notice to Borrower, be immediately due and payable.

Upon the occurrence of an Event of Default and acceleration of the obligations as provided above, Payee may pursue any remedy available under this Note or available at law or in equity. No right or remedy conferred upon Payee in this Note, the Asset Purchase Agreement or the Security Agreement is intended to be exclusive of any other right or remedy contained in this Note, the Asset Purchase Agreement or the Security Agreement and every such right or remedy shall be cumulative in addition to every other right or remedy contained herein or therein or now or hereafter available to Payee at law, in equity or otherwise.

Except to the extent expressly provided herein to the contrary, all amounts payable by Borrower hereunder shall be due and payable without notice of default, presentment or demand for payment, protest or further notice of nonpayment or dishonor, or notices or demands of any kind, all of which are expressly waived by Borrower.

The invalidity, illegality or unenforceability of any provision of this Note will not affect any other provision of this Note, all of which shall remain in full force and effect, nor will the invalidity, illegality, or unenforceability of a portion of any provision of this Note affect the balance of such provision. In the event that any one or more of the provisions contained in this Note or any portion thereof shall for any reason be held to be invalid, illegal or unenforceable in any respect, this Note shall be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

No failure of Payee in any one or more instances to insist upon strict compliance by Borrower with the terms and conditions of this Note or to enforce any right hereunder or otherwise shall be deemed a waiver of any obligation of Borrower or right of Payee with respect to any failure of Borrower to comply with the terms and conditions hereof. This Note may be modified or canceled only by the written agreement of Borrower and Payee.

Borrower and Payee acknowledge that, pursuant to Section 10.5 of the Asset Purchase Agreement, (i) Borrower's obligations hereunder may be subject to certain rights of set-off, and (ii) Payee may hereafter be entitled to set-off certain amounts to be owing by Payee to Borrower against amounts owing by Borrower hereunder.

All notices, demands and other communications to Borrower or Payee under this Note shall be in writing and shall be effective if (i) sent by registered or certified mail, postage prepaid, return receipt requested, or (ii) sent by overnight delivery via a nationally recognized overnight delivery service or by facsimile transmission (provided that in the case of (ii), a copy is also sent as provided in (i). All notices shall be addressed as set forth below or to such other address as a party may by written notice to the other party have designated for such purpose. Any such notice, demand or other communication shall be deemed given upon the earlier of actual receipt or five (5) days after being deposited in the U.S. mail if sent by registered or certified mail.

Borrower's address: Bentley Systems, Incorporated
690 Pennsylvania Avenue
Exton, Pennsylvania 19341
Attn: David G. Nation,
Senior Vice President and
General Counsel
Facsimile No.: (610) 458-3181

Payee's address: Intergraph Corporation
Huntsville, Alabama 35894-0001
Attn: John W. Wilhoite
Facsimile No.: (256) 730-2048

This Note has been delivered to and accepted by Payee in the State of Alabama. This Note and the rights and obligations of Borrower and Payee hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State of Alabama without regard to principles of conflicts of law. Borrower hereby waives any right to trial by jury in any legal proceeding related in any way to this Note and agrees that any such proceeding may, if Payee so elects, be brought, transferred to and enforced in the courts of the State of Alabama or the United States District Court for the Northern District of Alabama, and Borrower hereby waives any objection to jurisdiction or venue in any such proceeding commenced in any of such courts. Borrower further agrees that any process required to be served on it for purposes of any such proceeding may be served on it, with the same effect as personal service on it within the State of Alabama, by registered mail addressed to it at its address for purposes of notices as provided above.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

David G. Nation
Senior Vice President

EXHIBIT 10.6

SECURITY AGREEMENT

This Security Agreement (as may be amended, restated, and supplemented from time to time, this "Agreement") is entered into as of December 26, 2000, between Bentley Systems, Incorporated, a Delaware corporation (the "Debtor"), whose principal place of business, chief executive office and address for purposes of notice is 685 Stockton Drive, Exton, Pennsylvania 19341, and Intergraph Corporation, a Delaware corporation ("Secured Party"), whose address for purposes of notice is 1 Madison Industrial Park, Huntsville, Alabama 35894-0001. In consideration of the following premises and covenants and other good and valuable consideration, the Debtor and Secured Party agree as follows:

1. Definitions. All accounting terms not specifically defined in this Agreement (which also includes the Schedules and Exhibits hereto and the attachments to such Schedules and Exhibits) shall be construed in accordance with generally accepted accounting principles, consistently applied ("GAAP"). "Asset Purchase Agreement" means the Asset Purchase Agreement among Debtor, Secured Party, et al. dated on or about the date hereof. "Bank" means PNC Bank, N.A., as agent for itself and the lenders under Debtor's credit facility, and its successors. "Business Day" means any day other than a day on which banking institutions in the State of Alabama are authorized or required by law to close. All other terms used in this Agreement to describe the Collateral or Secured Party's security interests and related rights which are not specifically defined in this Agreement shall have the definitions given the same in the Uniform Commercial Code, as adopted in the State of Alabama (the "UCC"). All other capitalized terms shall have the meanings stated in this Agreement (which also includes the Schedules and Exhibits hereto and the attachments to such Schedules and Exhibits).

2. Collateral.

(a) As security for the Obligations (as such term is hereafter defined and used), the Debtor assigns and grants to Secured Party a security interest and lien in the following property (collectively, the "Collateral"):

(i) Any and all of the Debtor's rights, title and interests (whether now or hereafter existing, arising or acquired) in, to and under the property, rights and interests described on SCHEDULE 1 hereto, whether now or hereafter existing, arising or acquired (the "Maintenance Agreements and Receivables"); and

(ii) Any and all cash and non-cash proceeds (including, without limitation, insurance proceeds), products of and additions to and substitutions and replacements for, the foregoing, whether now or hereafter existing, arising or acquired.

(b) "Obligations" means all of Debtor's debts, obligations and liabilities to Secured Party evidenced by or referenced in (i) that certain Secured Note executed by Debtor in favor of Secured Party on or about the date hereof (as may be amended, restated or replaced, the "Promissory Note") and (ii) this Agreement, whether now or hereafter arising or existing, and whether direct or indirect, absolute or contingent, joint or several, due or not due, contractual or tortious, liquidated or unliquidated and all extensions, renewals, modifications and refinancings thereof.

3. Collection of Accounts. At any time after an Event of Default, the Debtor shall notify Secured Party of any collections received on the Maintenance Agreements and Receivables and shall hold the same in trust for Secured Party without commingling the same with other funds of the Debtor and, if Secured Party shall request, shall turn the same over to Secured Party immediately upon receipt in the identical form received. Proceeds transmitted to Secured Party may be handled and administered in and through a remittance or special account; the maintenance of any such account shall be solely for the convenience of Secured Party, and the Debtor shall not have any right, title, or interest in or to any such account or in the amounts at any time appearing to the credit thereof. Secured Party may apply and credit Proceeds transmitted to or otherwise received by Secured Party against any Obligations; however, Secured Party shall not be required to credit any Obligations with the amount of any check or other instrument constituting provisional payment until Secured Party has received final payment thereof at its office in cash or solvent credits accepted by Secured Party. At any time after an Event of Default, (a) the Debtor shall, at the request of Secured Party, notify the obligors on the Maintenance Agreements and Receivables of the security interest of Secured Party therein and shall instruct the obligors on the Maintenance Agreements and Receivables to remit payments directly to Secured Party, and (b) Secured Party may itself so notify and instruct such obligors.

4. Representations and Warranties. The Debtor represents and warrants to Secured Party as follows:

(a) The Debtor is (i) a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; (ii) duly qualified and licensed to do business and is in good standing in every jurisdiction where qualification is necessary except where the failure to qualify or to obtain such license would not have a material adverse effect on the Debtor or the Collateral; and (iii) duly authorized and empowered to create, issue, execute, deliver and perform this Agreement and any related instruments and agreements;

(b) The Debtor has timely filed and paid all federal, state, and local tax reports, taxes and returns required by any law or regulation to be filed and paid;

(c) The Debtor has and at all times will have good and marketable title to the Collateral, free and clear of all liens, security interests, or adverse claims, except for the Permitted Liens described in Exhibit A hereto (the "Permitted Liens") and liens and security interests granted to Secured Party;

(d) This Agreement and the Promissory Note are the legal, valid and binding obligation of the Debtor and any necessary consents of any person or entity related to the execution, delivery and performance of this Agreement and the Promissory Note have been obtained;

(e) No Event of Default has occurred and is continuing;

(f) Neither the Debtor's name nor the location of any of Debtor's offices or the Collateral has changed in the previous five years;

(g) The Debtor is and shall be the lawful owner of all Collateral and does and shall have good right to subject the same to a security interest in favor of Secured Party. No Collateral shall be sold, assigned, or transferred to any person other than Secured Party or in any way encumbered except for the Permitted Liens and except to Secured Party, and the Debtor shall defend the same against the claims and demands of all persons other than Secured Party and the holders of the Permitted Liens, provided that so long as no Event of Default has occurred and so long as the value of the Collateral is not materially impaired or reduced, Debtor may settle and compromise in the ordinary course of business, consistent with prudent business practices, the claims of any obligor on any Maintenance Agreements or Receivables;

(h) There are no judgments, actions, suits, claims, proceedings or investigations existing, outstanding, pending, or to the best of the Debtor's knowledge after due inquiry, threatened or in prospect, before any court, agency or tribunal, or governmental authority against or involving the Debtor which do or could materially affect the business, properties, prospects, financial condition, earnings, results of operations or earnings capacity of the Debtor or which question the validity of the Promissory Note, this Agreement, or any action or instrument contemplated hereby;

(i) Debtor has not executed any prior assignments of the Maintenance Agreements and Receivables, and will not in the future execute any assignments of the same, provided that so long as no Event of Default has occurred and so long as the value of the Collateral is not materially impaired or reduced, Debtor may settle and compromise in the ordinary course of business, consistent with prudent business practices, the claims of any obligor on any Maintenance Agreements or Receivables; and

(j) Debtor has not performed any acts or executed any other documents, and will not take any action or execute any other documents, that might prevent, limit or restrict Secured Party from enforcing any of the terms or conditions of this Agreement or exercising any of its rights or remedies hereunder.

5. Affirmative Covenants. Until the Obligations are fully paid and satisfied, the Debtor agrees and covenants to do the following:

(a) Maintain its existence, rights, and franchises and maintain, preserve, and protect the Collateral provided that this Section 5(a) shall not be deemed to prohibit Debtor from merging or consolidating with another entity, changing its corporate structure or amending its

certificate of incorporation or bylaws in any respect so long as any such action does not impair the Collateral or adversely affect Secured Party's security interest or lien thereon;

(b) (i) Comply with all material laws, statutes and government regulations (including, without limitation, all applicable federal and state environmental laws, rules, regulations, decrees, and court orders); (ii) pay all of its indebtedness when due except for trade payables which Debtor is disputing in good faith consistent with prudent business practices and for which Debtor has established sufficient reserves; (iii) pay when due all taxes, assessments and governmental charges or levies imposed on it, the Collateral or any part of the Collateral, its income and profits, or any of its property (including, without limitation, all environmental clean up costs); and (iv) pay all lawful claims for labor, materials, supplies or other claims;

(c) At any time after an Event of Default, permit Secured Party to visit its locations and to examine and make and take away copies or reproductions of those books and records of Debtor which relate to the Collateral (which records Debtor agrees to keep in a manner satisfactory to Secured Party), to discuss the Debtor with its officers and accountants at all reasonable times, and to inspect and audit the Collateral, and at any time after an Event of Default permit Secured Party to verify the Debtor's receivables constituting Collateral and other Collateral directly with account debtors and by other methods selected by Secured Party and perform a Collateral audit all as Secured Party desires at Debtor's expense;

(d) Promptly inform Secured Party, in writing, of (i) any and all material adverse changes in the Debtor's financial condition; and (ii) any Event of Default;

(e) Execute and deliver and file, or cause to be executed and delivered and filed, any and all other agreements, instruments, or documents which Secured Party may reasonably request in order to give effect to the transactions contemplated by this Agreement and to perfect and protect Secured Party's rights and interests. Debtor hereby appoints and empowers Secured Party, or any employee of Secured Party which Secured Party may designate for the purpose, as Debtor's attorney-in-fact (which appointment is coupled with an interest and is irrevocable), to execute and/or endorse (and file, as appropriate) at any time after an Event of Default for and in the name of Debtor any documents, instruments, agreements, papers, checks, financing statements and other documents which, in Secured Party's reasonable judgment, are necessary to be executed and/or filed in order to (i) perfect or preserve the perfection and priority of Secured Party's security interests and (ii) collect or realize upon the Collateral or otherwise exercise its rights and remedies under this Agreement, the Promissory Note or any related instrument or agreement or applicable law; and

(f) Comply with all of the terms of all schedules, attachments and exhibits hereto which are hereby incorporated herein by reference.

6. Negative Covenants. Until the Obligations are fully paid and satisfied, the Debtor will not:

(a) Sell or otherwise dispose of any Collateral or create or permit or suffer to occur the existence of any lien or encumbrance on any Collateral except for Permitted Liens and security interests and liens in favor of Secured Party; nor

(b) Except with thirty (30) days prior written notice to Secured Party, change the location of the Debtor's principal place of business or the Debtor's name or structure or consummate any merger or consolidation or purchase or sale of substantially all of the Debtor's assets; provided that notice of a merger or consolidation shall not be required if such event does not adversely affect the Collateral or Secured Party's security interest therein or the perfection thereof.

7. Events of Default. The occurrence of any of the following events or conditions shall constitute an "Event of Default" under this Agreement:

(a) The failure or refusal or neglect of the Debtor within five (5) days after written notice from Secured Party to pay all or any part of the Obligations or any related charges, fees and expenses;

(b) The failure of the Debtor within five (5) days after written notice from Secured Party to timely and properly observe, keep, or perform any covenant, agreement or warranty required by or otherwise set forth in this Agreement, the Promissory Note or the Asset Purchase Agreement; provided however, that no such notice shall be required with respect to any failure to observe, keep or perform any covenant, agreement or warranty pursuant to which Debtor is to inform, advise or otherwise provide notice or information to Secured Party;

(c) If any representation, warranty, or statement contained in this Agreement, in the Promissory Note or in any related instrument or agreement delivered by the Debtor to Secured Party proves to have been false or misleading in any material respect as of the date such representation, warranty, or statement was made;

(d) If a default by the Debtor (as principal or guarantor or other surety) in the payment of any indebtedness for borrowed money in excess of $500,000 owing to any person or entity (other than Secured Party) occurs, and such default shall remain unremedied in excess of the period of grace or cure, if any, for payment of such indebtedness and repayment of such indebtedness is accelerated or demanded;

(e) If (i) a receiver, trustee or liquidator is appointed for the Debtor or all or a substantial part of its assets, provided Debtor shall have forty (40) days to have removed any receiver, trustee or liquidator which is appointed without Debtor's consent or request; or (ii) a petition commencing a bankruptcy or other insolvency proceeding shall be filed (a) against the Debtor without the Debtor's consent which is not dismissed within sixty (60) days or (b) by Debtor or against Debtor with Debtor's consent;

(f) The levy against $500,000 worth or more of the property (other than the Collateral) of the Debtor, or any execution, garnishment, attachment, sequestration or other writ or

similar proceeding against $500,000 worth or more of property of Debtor which is not permanently dismissed or discharged within 60 days after the levy;

(g) The general assignment by or the filing of application in any court for a receiver for the Debtor;

(h) The dissolution or liquidation of the Debtor;

(i) If any or all of this Agreement, the Promissory Note or any related instrument or agreement or any portion hereof or thereof is asserted by Debtor or any other party to be unenforceable, void or voidable; or

(j) Any lien (except for Permitted Liens and except in favor of the Secured Party) or levy existing or arising against any of the Collateral.

8. Rights and Remedies.

(a) Upon the occurrence of any Event of Default, Secured Party, at its option and without the necessity of any presentment, demand or notice(s) of default, intent to accelerate, demand or acceleration, or any other notices, all of which are expressly waived by the Debtor, may declare all Obligations immediately due and payable in full, and Debtor shall thereupon pay all such Obligations immediately to Secured Party in full; provided that such acceleration of the Obligations shall occur and be automatic upon the occurrence of an Event of Default specified in clause (e) of Section 7.

(b) Upon the occurrence of any Event of Default, Secured Party shall have (i) right to bring suit for collection of the Obligations, (ii) right to collect and foreclose upon any or all of the Collateral and all of the rights and remedies available to a secured party under the UCC, (iii) all of the other rights and remedies allowed at law or in equity by applicable laws, ordinances, statutes, rules, regulations, orders, injunctions, writs, or decrees of any governmental or political subdivision or agency thereof, or any court or similar entity established by any such subdivision or agency, and (iv) right to require the Debtor to assemble the Collateral and make it available to the Secured Party upon request at a place designated by Secured Party which is reasonably convenient to both parties. Any and all payments received by Secured Party from Debtor after an Event of Default and any amounts received by Secured Party from the liquidation, collection or disposition of Collateral shall be applied first to costs and expenses incurred by Secured Party in protecting or enforcing its rights and remedies under this Agreement, the Promissory Note and/or applicable law, and then to any and all Obligations in such order or manner as Secured Party determines in its discretion, unless otherwise required by law. Without limiting Secured Party's rights or Debtor's obligations under this Agreement, the Promissory Note or any other instrument or agreement, the Debtor shall remain liable for any deficiency after realization upon the Collateral and application of the proceeds as set forth above. Debtor hereby grants Secured Party a power of attorney to execute and deliver as Debtor's attorney-in-fact at any time upon and after the occurrence of an Event of

Default any and all instruments and agreements as Secured Party deems desirable to collect, sell or liquidate any and all Collateral.

All of the foregoing rights and remedies are cumulative.

9. No Waiver. Neither the failure nor any delay on the part of Secured Party to exercise any right, power, or privilege shall operate as a waiver of such right, power, or privilege, nor shall any single or partial exercise of such right, power, or privilege preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. No waiver of any provision in this Agreement shall be effective unless the same shall be in writing and signed by Secured Party, and then shall be effective only in the specific instance and for the purpose for which given and to the extent specified in such writing. No modification or amendment to this Agreement shall be valid or effective unless the same is in writing and signed by the party against whom it is sought to be enforced. All rights and remedies of Secured Party are cumulative.

10. Additional Obligations of Debtor. Secured Party shall not in any way be responsible for the performance of any obligations of Debtor under the Maintenance Agreements and Receivables, or for any failure to do any or all of the actions for which rights, interests, powers, and authority are herein granted. Debtor shall defend and indemnify Secured Party against any claims by anyone against Secured Party alleging any liability of Secured Party arising under the Maintenance Agreements and Receivables (but not the products covered by such Maintenance Agreements and Receivables, liability for which shall be governed by the Asset Purchase Agreement). The failure of Secured Party to take any of the actions or exercise any right, interest, power or authority granted to Secured Party hereunder shall not be construed to be a waiver of any such right, interest, power or authority.

Debtor will execute upon the request of Secured Party any and all further documents, assignments or instruments that Secured Party reasonably deems appropriate or necessary to evidence or effectuate this Agreement or grant or confirm the rights and interests given to Secured Party hereunder.

Debtor will fulfill and perform each and every obligation of Debtor under the Maintenance Agreements and Receivables unless the failure to do so is consistent with prudent business practices and does not materially impair or reduce the Collateral.

11. Notices. All notices, requests, demands, or other communications required or permitted to be given pursuant to this Agreement shall be in writing and given by (a) personal delivery, (b) expedited delivery service with proof of delivery, or (c) United States mail, postage prepaid, registered or certified mail, return receipt requested, sent to the intended addressee at the address on the first page of this Agreement and shall be deemed to have been received either, in the case of expedited delivery service or personal delivery, as of the date of first attempted delivery at the address, or in the case of mail, upon deposit in a depository receptacle under the care and custody of the United States Postal Service (provided Secured Party shall not be bound by any notice until it actually receives the same). Either party shall have the right to change its address for notice under

this Agreement to any other location within the continental United States by notice to the other party of such new address at least thirty (30) days prior to the effective date of such new address.

12. GOVERNING LAWS. THIS AGREEMENT, THE PROMISSORY NOTE AND THE OTHER RELATED DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ALABAMA.

13. Severability. If any provision of this Agreement, the Promissory Note or any related instrument or agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and ineffective and the remaining provisions of this Agreement, the Promissory Note or any related agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance.

14. Costs. Debtor shall pay to Secured Party on demand all out of pocket costs and expenses of Secured Party (including, without limitation, legal fees, filing fees, recording costs, insurance premiums, taxes (with the exception of Secured Party's income, excise and franchise taxes) and search fees) incurred in connection with protecting and/or enforcing Secured Party's rights and remedies under this Agreement and the Promissory Note which are incurred by Secured Party after a breach or default under either of them.

15. Survival. All representations, warranties, covenants, and agreements made by or on behalf of the Debtor in connection with this Agreement will survive the execution and delivery of this Agreement and shall be deemed continuing representations, warranties, covenants and agreements until such time as the Obligations are indefeasibly paid in full.

16. Waivers. Debtor waives demand, notice of acceleration, notice of intent to accelerate, dishonor, notice of protest, all other notices, presentment, protest, and any and all rights to and of exemption.

17. Assignment. Any or all of the Obligations, this Agreement, the Promissory Note and any related agreement and the rights and remedies thereunder may be assigned or delegated in whole or part by Secured Party (but not by the Debtor except in connection with the merger of the Debtor) without Debtor's prior written consent only in connection with (i) a collateral assignment to Secured Party's primary corporate credit provider, or (ii) a merger, consolidation or sale of substantially all of the assets of Secured Party. Debtor agrees not to unreasonably withhold its consent to any other assignment and/or delegation by Secured Party.

18. Entire Agreement. This Agreement and the Promissory Note, together with any documents and instruments executed in connection herewith and any related instruments and agreements, embody the entire agreement and understanding between the parties concerning the subject matter hereof and thereof.

19. No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement, the Promissory Note or to any related instrument or agreement. All conditions to

Secured Party's obligations under this Agreement are imposed solely and exclusively for the benefit of Secured Party. Neither the Debtor nor any other person shall have standing to require satisfaction of any such condition or be entitled to assume that Secured Party will insist upon strict compliance with any or all such conditions, and neither the Debtor nor any other person shall, under any circumstances, be deemed to be a beneficiary of any conditions hereof, any or all of which conditions may be waived freely, in whole or in part by Secured Party at any time if, in its sole discretion, Secured Party deems it advisable so to do.

20. Modifications. No modification or amendment of this Agreement shall be effective unless placed in writing and duly executed by Secured Party and Debtor.

IN WITNESS WHEREOF, Debtor and Secured Party have executed this Agreement as of the date first above written.

DEBTOR:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

David G. Nation
Senior Vice President

SECURED PARTY:

INTERGRAPH CORPORATION

By: /s/ John W. Wilhoitte

John W. Wilhoitte
Title: Executive Vice President

EXHIBIT A

Permitted Liens

(a) PNC Bank, N.A.'s second priority interest in the Collateral, so long as an Intercreditor Agreement acceptable to Secured Party is in effect between PNC Bank, N.A. and Secured Party;

(b) liens of carriers, warehousemen, landlords, mechanics, laborers and materialmen arising by law for sums which are (i) not yet due or (ii) being diligently contested in good faith and with respect to which Debtor has set aside sufficient reserves; and

(c) liens for taxes which are (i) not yet due or (ii) being diligently contested in good faith by appropriate proceedings and with respect to which Debtor has set aside sufficient reserves.

(d) liens or security interests which are subordinate to Secured Party's security interest in the Collateral provided that Debtor is contesting the same pursuant to appropriate proceedings or causes the same to be dismissed promptly.

Initial

SCHEDULE 1

Description of Collateral

Any and all maintenance, license and other agreements and arrangements now or hereafter entered into by Debtor with customers of Debtor located in the United States for which revenues are included by Secured Party in the Schedule of Transferred Maintenance from time to time (as such term is used in the Asset Purchase Agreement) whereby Debtor agrees to, does or may grant license(s), provide maintenance, support, upgrades or similar services, rights or property, in each case only to the extent relating to any of the software products sold to Debtor by Secured Party and designated by Secured Party as Civil, Raster or Plotting and any derivatives, upgrades, supplements, variations, redesignations or modifications of any of them made by Debtor, including without limitation, the products listed on Schedule 1.1(c) attached hereto, together with all royalties, accounts, chattel paper, instruments, general intangibles and rights to payment and performance evidenced thereby, arising therefrom or related to any or all of the foregoing.

Initial

Exhibit 10.7

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") dated September 18, 1998 by and among BENTLEY SYSTEMS, INCORPORATED (the "Company"), BACHOW INVESTMENT PARTNERS III, L.P. or any other entity as to which any affiliate of Bachow & Associates, Inc. is the general partner and who purchased Preferred Stock under the Stock Purchase Agreement (the "Purchaser") and WILMINGTON TRUST COMPANY, as escrow agent (the "Escrow Agent").

RECITALS

(a) Pursuant to a Stock Purchase Agreement dated as of September 18, 1998 (the "Stock Purchase Agreement") among, inter alia, the Company and the Purchaser, the Purchaser purchased from the Company for an aggregate purchase price of $15,000,000: 1,552,450 shares of Series A Convertible Preferred Stock, par value $.01 per share (the "Preferred Stock"); and subject to the terms of this Agreement, 2,171,028 shares of Class B Non-Voting Common Stock, par value $.01 per share (the "Common Stock").

(b) Pursuant to the Stock Purchase Agreement, a stock certificate (the "Certificate") in the name of the Purchaser, evidencing the Common Stock is contemporaneously herewith being placed into escrow (the "Escrow") by the Company for distribution pursuant to this Agreement.

(c) The Escrow Agent has agreed to act as escrow agent on the terms and conditions specified herein.

NOW THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

1. Appointment of Escrow Agent; Acceptance of Appointment. The Company and the Purchaser hereby appoint the Escrow Agent as escrow agent hereunder and the Escrow Agent hereby accepts such appointment.

2. Delivery of the Certificate into the Escrow; Voting and Dividend Rights. In accordance with Section 1.2(b) of the Stock Purchase Agreement, the Company has delivered the Certificate and the Purchaser has delivered executed copies of stock powers, endorsed in blank to transfer the Certificate, to the Escrow Agent to be held in the Escrow. Until released from the Escrow, Purchaser shall have all voting and dividend rights (which the Company and the Purchaser shall transmit to the Escrow Agent) relating to the Common Stock. Additionally, until the shares of Common Stock are released from the Escrow, all cash dividends, interest and premiums declared and paid on the Common Stock, as well as any additional shares which are issued with respect to the Common Stock as a result of any stock dividend, as payment in lieu of any interest on dividends, by reclassification or otherwise (the "Additional Escrow Amount") shall be held by the Escrow Agent until the shares of Common Stock to which they relate are released from the Escrow in accordance with the terms of this Agreement, in which case the Additional Escrow Amount shall be released together with such shares. The Escrow Agent shall invest cash pursuant to the written instructions of the Company, and in the absence of such instructions, in the U.S. Government portfolio of the Rodney Square Fund, a mutual fund managed by Rodney Square Management Corporation, a subsidiary of the Escrow Agent.

3. Compensation of the Agent. The Escrow Agent shall be compensated for its services as provided in Section 5(d). The Escrow Agent shall be entitled to reimbursement of its reasonable out-of-pocket expenses including, without limitation, the fees and costs of attorneys or agents whom it may find necessary to engage in the performance of its duties hereunder. The Company shall be liable to the Escrow Agent for such compensation and reimbursement.

4. Release of the Escrow.

a. Shares of Common Stock shall be released from the Escrow in such number, to such persons or entities and at such times as are specified in the written instructions that the Company or the Purchaser shall provide from time to time to the Escrow Agent (the "Escrow Instructions"). The Company or the Purchaser shall provide the Escrow Instructions in accordance with and as provided in Exhibit A hereto and such Escrow Instructions from the Purchaser or, if applicable, from the Company shall contain a certification that the conditions set forth in Section 4(d) hereof have been met. Examples of the calculations specified in Exhibit A are set forth in Exhibit B hereto. Upon receipt of the Escrow Instructions the Escrow Agent shall transmit a copy of the Escrow Instructions to the other party. When shares are to be released, the Escrow Agent shall transmit the Certificate (or any replacement stock certificate) to the Company (or, if applicable, its transfer agent) with a copy of the applicable Escrow Instructions. Subject to Sections 4(b) and 4(c), the Company (or, if applicable, its transfer agent) shall issue stock certificates in accordance with such Escrow Instructions and deliver the stock certificates to the applicable persons and/or entities and deliver a certificate for any balance to the Escrow Agent, in the name of the Purchaser.

b. If either the Company or the Purchaser gives written notice to the other and the Escrow Agent disputing any Escrow Instructions (a "Counter Notice") within 20 days following the date the Escrow Instructions are delivered to the other party, such dispute shall be resolved as provided in Section 4(c). If no Counter Notice is received by the Escrow Agent within such 20-day period, then the Escrow Instructions shall be deemed mutually agreed to for purposes of this Agreement at the end of such 20-day period. The Escrow Agent shall not inquire into or consider whether the Escrow Instructions comply with the requirements of the Stock Purchase Agreement or the calculations set forth in Exhibit B hereto.

c. If a Counter Notice is received, the Escrow Agent shall release the shares requested in the Escrow Instructions only in accordance with (i) joint written instructions of the Company and the Purchaser or (ii) a final non-appealable order of a court of competent jurisdiction. Any court order shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to the Escrow Agent to the effect that the order is final and non-appealable. The Escrow Agent shall act in accordance with such court order and legal opinion without further question.

d. Notwithstanding the above, the Escrow Agent shall not release to the Purchaser any of the Common Stock from the Escrow pursuant to this Section 4 unless and until the Purchaser either (i) exercises its right to have the Preferred Stock redeemed by the Company (the "Redemption Right") as provided in the Amended Certificate (as defined in the Stock Purchase Agreement) or (ii) waives the Redemption Right through the conversion of the Preferred Stock pursuant to Section 4(a) of the Amended Certificate; provided, however, that, if the Purchaser exercises its Redemption Right and the payment is made pursuant to Section 3 of the Amended Certificate, the Purchaser shall not be entitled to any of the Common Stock released from the Escrow and such Common Stock shall be distributed to the Pre-Closing Shareholders (as defined below) in accordance with Section 4(e). As applicable, the Company or the Purchaser shall provide Escrow Instructions in accordance with the foregoing promptly upon the exercise or waiver of the Redemption Right.

e. For purposes of this Agreement and the Escrow Instructions, "Pre-Closing Shareholders" shall mean any shareholders owning stock in the Company both immediately prior to the date hereof and as certified to the Escrow Agent by the Company as of the close of business on the date the Escrow Instructions are provided to the Escrow Agent. Any time a distribution is earned back or required to be made to the Pre-Closing Shareholders pursuant to this Agreement and Exhibit A hereto, it shall be made to the Pre-Closing Shareholders that still own shares of the Company's Common Stock on the date the Escrow Instructions are provided to the Escrow Agent in proportion to the number of shares of the Company's Common Stock owned by each Pre-Closing Shareholder as of the close of business on the date the Escrow Instructions are provided to the Escrow Agent up to but not exceeding the number of shares owned by each such Pre-Closing Shareholder immediately prior to the date hereof.

5. Matters Relating to the Escrow Agent.

a. The Escrow Agent undertakes to perform only such duties expressly set forth herein and no implied duties or obligations shall be read into this Agreement against the Escrow Agent. In acting hereunder, the Escrow Agent shall not be liable for any act done or omitted to be done, by it in the absence of gross negligence or willful misconduct.

b. The Escrow Agent may only act on and rely upon the Escrow Instructions to which no objection has been received pursuant to Section 4, or such other joint written instructions received from the Company and the Purchaser pursuant to Section 4(c); provided, however, that the Escrow Agent may also rely upon a final non-appealable court order as provided in Section 4(c). The Escrow Agent may act in reliance upon any such writings or instruments or any signatures thereon which it, in good faith, believes to be genuine, and may assume the validity and accuracy of any statement or assertion contained in such writings or instruments and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so.

c. The Escrow Agent shall be entitled to consult with legal counsel in the event that a question or dispute arises with regard to the construction of any of the provisions hereof, and shall incur no liability and shall be fully protected in acting in accordance with the advice or opinion of such counsel.

d. The Company shall pay to the Escrow Agent an

initial fee of $1500 and $2000 per year thereafter for its services hereunder. In the event the Escrow Agent renders any extraordinary services in connection with the Escrow at the request of the parties, the Escrow Agent shall be entitled to additional compensation therefor. The Escrow Agent shall have a first lien against the Escrow to secure the obligations of the Company hereunder. The terms of this paragraph shall survive termination of this Agreement.

e. The Company and the Purchaser, jointly and severally, shall indemnify the Escrow Agent and hold it harmless from any and against all liabilities, losses, actions, suits or proceedings at law or in equity, and any other expenses, fees or charges of any character or nature, including without limitation, reasonable attorneys' fees, which the Escrow Agent may incur or with which it may be threatened by reason of its acting as escrow agent under this Agreement or arising out of the existence of the Escrow, except to the extent the same shall be caused by the Escrow Agent's gross negligence or willful misconduct. In so agreeing to indemnify, hold harmless and reimburse the Escrow Agent, the parties intend thereby to cover all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation, and counsel fees and disbursements, which may be imposed upon the Escrow Agent or incurred in connection with its acceptance of appointment as escrow agent hereunder or the performing of its duties hereunder, including any litigation arising from this Agreement. The Escrow Agent shall have a first lien against the Escrow to secure the obligations of the Company hereunder. As between the Company and the Purchaser, the prevailing party shall be entitled to recover any amounts paid with respect to the indemnification of the Escrow Agent. The terms of this paragraph shall survive termination of this Agreement.

f. In the event the Escrow Agent receives conflicting instructions hereunder, the Escrow Agent shall be fully protected in refraining from acting until such conflict is resolved to the satisfaction of the Escrow Agent. The Escrow Agent shall be entitled to refrain from taking any action contemplated by this Agreement in the event that it becomes aware of any disagreement between the parties hereto as to any material facts or as to the happening of any contemplated event precedent to such action, but the Escrow Agent shall not be deemed to have knowledge thereof unless and until it has received notice thereof from any party hereto. The Escrow Agent shall have the right at any time it deems appropriate to seek an adjudication in a court of competent jurisdiction as to the respective rights of the parties hereto and shall not be held liable by any party hereto for any delay or the consequences of any delay occasioned by such resort to the court. In addition, the Escrow Agent shall have the right to institute a bill of interpleader in any court of competent jurisdiction to determine the rights of the parties, and the parties shall pay all costs, expenses and disbursements in connection therewith, including attorneys' fees.

g. The Escrow Agent may resign as such following the giving of thirty (30) days' prior written notice to the other parties hereto. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days' prior written notice to the Escrow Agent by the Company and the Purchaser. In either event, the duties of the Escrow Agent shall terminate thirty (30) days after the date of such notice (or as of such earlier date as may be mutually agreeable), and the Escrow Agent shall then deliver the balance of the Escrow then in its possession to a successor escrow agent as shall be appointed by the Company and the Purchaser as evidenced by a written notice filed with the Escrow Agent.

If the Company and the Purchaser are unable to agree upon a successor or shall have failed to appoint a successor prior to the expiration of thirty (30) days following the date of the notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appropriate relief. Any such resulting appointment shall be binding upon all of the parties hereto.

Upon acknowledgment by any successor escrow agent of the receipt of the then remaining balance of the Escrow, the Escrow Agent shall be fully released and relieved of all duties, responsibilities, and obligations under this Agreement.

6. Notices. Any notice, request, demand, or other communication permitted or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been properly given if delivered in person one day after being sent via reputable national overnight courier to the following address:

If to the Company:

Bentley Systems, Incorporated
685 Stockton Drive
Exton, PA 19341-1136
Telephone No.: (610) 458-5000
Telecopy No.: (610) 458-1060
Attention: General Counsel

with a copy to:

Drinker Biddle & Reath LLP
1000 Westlakes Drive
Suite 300
Berwyn, PA 19312
Attention: Walter J. Mostek, Jr., Esquire
Telephone No.: 610-993-2200
Telecopy No.: 610-993-8585

If to the Purchaser:

Bachow Investment Partners III, L.P.
Bala Equity Partners, L.P., general partner
Bala Equity, Inc., general partner
3 Bala Plaza East, Suite 502
Bala Cynwyd, PA 19004
Attention: Jay D. Seid, Managing Director
Telephone No.: (610) 660-4900
Telecopy No.: (610) 550-4930

with a copy to:

Wolf, Block, Schorr and Solis-Cohen LLP
111 South 15th Street
Philadelphia, PA 19102
Attention: Jason M. Shargel, Esquire
Telephone No: (215) 977-2216
Telecopy No: (215) 977-2334

If to the Escrow Agent:

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890
Attention: Corporate Trust Custody
Telecopy No.: (302)427-4605

Any party included above may designate a different address by giving written notice to the other parties to this Agreement in the manner provided in this Section.

7. Governing Law; Transferability. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Delaware, without giving effect to any choice of law principles that might otherwise be applicable. For purposes of this Agreement, the parties hereto agree to submit to the jurisdiction of the courts of the State of Delaware. This Agreement shall inure to the benefit of and be binding upon the respective legal representatives, and permitted successors and assigns of the parties hereto; provided that no assignment may be made without the written consent of the other parties.

8. Construction. This Agreement shall be construed without regard to incidents of authorship or negotiation.

9. Amendments. This Agreement may not be amended or supplemented and no provision hereof may be modified or waived except by an instrument in writing signed by all parties hereto.

10. Entire Agreement. As between the Company and the Purchaser, the Stock Purchase Agreement, the Exhibits and Schedules thereto, and as between all parties, this Agreement contains the entire understanding of the parties with respect to the subject matter of this Agreement. There are no promises, representations, or other undertakings among the parties to this Agreement with respect to its subject matter other than those expressly set forth in the Stock Purchase Agreement and this Agreement.

11. Counterparts. This Agreement may be executed in multiple counterparts and by the different parties on separate counterparts. Any presentation of proof of this Agreement shall be sufficient if the counterpart executed by the party against whom such proof is offered shall be presented as evidence.

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

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ Gregory S. Bentley

Name: Gregory S. Bentley

Title: President

Address: 690 Pennsylvania Drive
Exton, PA 19341-1136
Telephone: (610) 458-5000
Facsimile: (610) 458-1060

PURCHASER:

BACHOW INVESTMENT PARTNERS III, L.P.
By: Bala Equity Partners, LP., general partner
By: Bala Equity, Inc., general partner

By: /s/ Jay D. Seid

Name: Jay D. Seid

Title: Vice President

Address: 3 Bala Plaza East, Suite 502
Bala Cynwyd, PA 19004
Attention: Jay D. Seid, Managing Director
Telephone: (610) 660-4900
Facsimile: (610) 550-4930

ESCROW AGENT:

WILMINGTON TRUST COMPANY

By: /s/ David P. Fontello

Name: David P. Fontello

Title: Vice President

EXHIBIT A: RULES GOVERNING DISTRIBUTION OF SHARES HELD IN ESCROW

The Class B Common Stock in escrows A1, A2, B1 and B2 will be divided between the Investor and the Pre-Closing Shareholders and distributed at the time and based on the methodology described below:

1) COMPANY IS NEITHER SOLD NOR OUT OF AN IPO LOCKUP BEFORE FOUR YEAR ANNIVERSARY OF CLOSING

a) Escrow A1, A2, B1 and B2 distributed to Investor upon conversion of Preferred or waiver of Redemption Right as provided in the Escrow Agreement. Upon redemption of Preferred, the escrow is distributed to Pre-Closing Shareholders.

2) COMPANY IS OUT OF IPO LOCKUP BEFORE FOUR YEAR ANNIVERSARY OF CLOSING

a) During any full quarter that is (i) after the end of the underwriter-imposed lockup period and (ii) before or ending at the end of year 4, the Pre-Closing Shareholders can earn back Escrow A1 and/or Escrow B1 by having the "Deemed Market Cap" for the Company exceed the relevant thresholds shown in columns 1 and 3 on the attached Exhibit C (the Deemed Market Cap is computed by averaging the closing price per share of the Company for all trading days during the quarter (but eliminating the 5 highest and 5 lowest closing prices before averaging), and multiplying such averaged price per share by 28,546,662 shares, plus the number of shares issued in the Company's public offering(s)). Shares earned back shall be released from Escrow and distributed to the Pre-Closing Shareholders immediately following the quarter when earned.

b) During any full quarter that is (i) after the end of the underwriter-imposed lockup period and (ii) before or ending at the end of year 4, the Pre-Closing Shareholders can earn back Escrow A2 and/or Escrow B2 by having the Deemed Market Cap for the Company exceed the relevant thresholds shown in columns 2 and 4 on the attached Exhibit C. Shares earned back shall be released from Escrow and distributed to the Pre-Closing Shareholders immediately following the quarter when earned.

c) At the end of year 4, the remaining "Escrow Shares", if any, will be distributed as follows:

i) Define "Escrow Shares" as the total number of shares, if any, remaining in Escrows A1, A2, B1 and B2 four years after Closing.

ii) Define "#EscrowsLeft" based on the following formula:

$$\#\ \text{EscrowsLeft} = \frac{\text{EscrowShares}}{1{,}085{,}514}$$

iii) Define "MktCap" as the average closing market capitalization of the company during the 60 trading days leading up to the end of year 4, but eliminating the 5 highest and 5 lowest market caps before averaging.

iv) Define "TFS" as the fully diluted company shares outstanding at end of Year 4.

v) Number of shares from escrow distributed to Investor is:

$$\$60m + (\$3.75m \times (\#\text{EscrowsLeft}) \times \min\left(\max\left(\frac{\text{DeemedMktCap} - \$500m}{\$800m}, 0\right), 1\right)) - \left(\frac{1{,}552{,}450}{\text{TFS}} \times \text{MktCap}\right)$$

$$\max\left[\min\left[\frac{\text{EscrowShares}}{\text{TFS}} \times \text{MktCap}, 1\right], 0\right] \times \text{EscrowShares}$$

vi) Escrowed shares not released to the Investor are released pro-rata among remaining pre-Closing shareholders in the proportion that they still own pre-closing shares.

3) COMPANY IS SOLD WITHIN FOUR YEARS.

a) At the time of sale, the company's original shareholders can earn back Escrows A1, A2, B1 and/or B2 by having (the sale price multiplied by 28,546,662 plus shares issued in the Company's public offering(s), if any, and divided by the total fully-diluted shares outstanding on the date of sale (the "Deemed Sales Price")) exceed the relevant thresholds shown in columns 5 and 6 on the attached Exhibit C.

b) Define "Escrow Shares" as the total number of shares remaining in Escrows A1, A2, B1, and B2 on the date of sale (after the effect of 3(a), above).

c) Define "#EscrowsLeft" based on the following formula:

$$\#EscrowsLeft = \frac{EscrowShares}{1{,}085{,}514}$$

d) Define "MktCap" as the sale price of the Company.

e) Define "TFS" as the total fully diluted company shares outstanding on the date of sale.

f) Define "CappedReturn" as follows depending when a sale transaction closes:

IF A SALE CLOSES ...		THE "CAPPED RETURN" IS EQUAL TO:
ON OR AFTER ...	AND BEFORE ...	
Closing	1 year anniversary of Closing	$2.00+ \left(\frac{DaysSinceC1osing}{365} \times 0.50 \right)$
1 year anniversary of Closing	2 year anniversary of Closing	$2.50+ \left(\frac{DaysSince1YearAnniv}{365} \times 0.25 \right)$
2 year anniversary of Closing	3 year anniversary of Closing	$2.75+ \left(\frac{DaysSince2YearAnniv}{365} \times 0.25 \right)$
3 year anniversary of Closing	Anytime Later	No Capped Return

g) Number of shares from escrow distributed to Investor is:

$$\text{Max}\left[\text{Min}\left[\frac{\text{Min}\left(\$60m+(\$3.75m \times (\#EscrowsLeft) \times \text{Min}\left(\text{Max}\left(\frac{\text{Deemed Sales Price}-\$500m}{\$800m},0\right),1\right)),\$15m \times CappedReturn\right)-\left(\frac{1{,}552{,}450}{TFS} \times MktCap\right)}{\frac{EscrowShares}{TFS} \times MktCap} ,1\right] ,0\right] \times EscrowShares$$

h) Escrowed shares not released to the Investor are released pro-rata among remaining pre-Closing shareholders in the proportion that they still own pre-Closing shares.

4) OTHER DEFINITIONS USED IN THIS EXHIBIT

a) Min(a,b,...) is defined as a function which returns the minimum value of any of its supplied parameters. For example, Min(1,5,-3) is -3, and Min(2,16,4) is 2.

b) Max(a,b,...) is defined as a function which returns the maximum value of any of its supplied parameters. For example, Max(1,5,-3) is 5, and Max(2,l6,4) is 16.

c) Escrows A1, A2, B1, and B2 each contain 542,757 shares of Class B Common Stock at Closing.

EXHIBIT B: EXAMPLE OF CALCULATION

Example Scenario Assumptions

- - Company has completed an IPO and is out of an IPO lock-up before the four-year anniversary of closing.

- - Company has reached a "Deemed Market Cap" of $700 million in the sixteenth quarter which Deemed Market Cap is higher than any prior quarter, such that none of the threshold levels for escrow release in Exhibit C were previously achieved.

- - Market Cap = $750,000,000

- - TFS = Total Fully-Diluted Shares = 28,546,662

Results

- - Shares held in escrows A1 & A2 (1,085,514 shares total) are earned back by the Pre-Closing Shareholders (and therefore immediately released from Escrow to the Pre-Closing Shareholders), but not escrows B1 & B2.

- - Escrow Shares = 1,085,514

- - Escrows Left = 1

- - Therefore, escrow shares distributed to the Investor at the end of year four:

$$\text{Max}\left(\text{Min}\left(\frac{\left(\$60\text{m} + \left(\$3.75\text{m} \times \left(\#\ \text{EscrowsLeft}\right) \times \text{Min}\left(\text{Max}\left(\frac{\left(\text{DeemedMktCap} - \$500\text{m}\right)}{\$800\text{m}}, 0\right), 1\right)\right) - \left(\frac{1{,}552{,}450}{\text{TFS}} \times \text{MktCap}\right)\right)}{\text{TFS}}, 1\right), 0\right) \times \text{EscrowShares}$$

$$\text{Max}\left(\text{Min}\left(\frac{\left(\$60\text{m} + \left(\$3.75\text{m} \times 1 \times \text{Min}\left(\text{Max}\left(\frac{\left(\$700\text{m} - \$500\text{m}\right)}{\$800\text{m}}, 0\right), 1\right)\right) - \left(\frac{1{,}552{,}450}{28{,}546{,}662} \times \$750\text{m}\right)\right)}{28{,}546{,}662}, 1\right), 0\right) \times 1{,}085{,}514$$

$$\text{Max}\left(\text{Min}\left(\frac{\left(\$60\text{m} + \left(\$3.75\text{m} \times \text{Min}\left(\text{Max}\left(0.25, 0\right), 1\right)\right) - \left(0.054383 \times \$750\text{m}\right)\right)}{0.038026 \times \$750\text{m}}, 1\right), 0\right) \times 1{,}085{,}514$$

$$\text{Max}\left(\text{Min}\left(\frac{\left(\$60\text{m} + \left(\$3.75\text{m} \times 0.25\right) - \left(\$40{,}787{,}168\right)\right)}{\$28{,}519{,}464}, 1\right), 0\right) \times 1{,}085{,}514$$

$$\text{Max}\left(\text{Min}\left(\frac{\left(\$20{,}150{,}332\right)}{\left(\$28{,}519{,}464\right)}, 1\right), 0\right) \times 1{,}085{,}514$$

$$0.706547 \times 1{,}085{,}514 = 766{,}966$$

and the remaining 318,548 escrow shares are distributed to the Pre-Closing Shareholders.

EXHIBIT C: Thresholds For Release of Escrows to Pre-Closing Shareholders

	1	2	3	4	5	6
	While the company is publicly-traded, market cap must exceed ...				At the time of a sale, sale price must exceed ...	
Quarter After Closing	Escrow A1	Escrow A2	Escrow B1	Escrow B2	Escrows A1 & A2	Escrows B1 & B2
1	$495	$593	$702	$842	$344	$488
2	$495	$593	$702	$842	$360	$511
3	$495	$593	$702	$842	$377	$535
4	$495	$593	$702	$842	$394	$560
5	$495	$593	$702	$842	$412	$586
6	$495	$593	$702	$842	$432	$613
7	$495	$593	$702	$842	$452	$641
8	$495	$593	$702	$842	$473	$671
9	$495	$593	$702	$842	$495	$702
10	$518	$593	$735	$842	$518	$735
11	$542	$593	$769	$842	$542	$769
12	$567	$593	$805	$842	$567	$805
13	$593	$593	$842	$842	$593	$842
14	$621	$621	$882	$882	$621	$882
15	$650	$650	$923	$923	$650	$923
16	$680	$680	$965	$965	$680	$965

Note: All dollar amounts shown in millions.

Exhibit 10.8

BENTLEY SYSTEMS, INCORPORATED

1995 STOCK OPTION PLAN

(AS AMENDED AND RESTATED EFFECTIVE MARCH 4, 1996)

Table of Contents

BENTLEY SYSTEMS, INCORPORATED

1995 STOCK OPTION PLAN

(AS AMENDED AND RESTATED EFFECTIVE MARCH 4, 1996)

WHEREAS, Bentley Systems, Incorporated, a Delaware corporation (the "Company") desires to amend and restate the Bentley Systems, Incorporated 1995 Stock Option Plan (the "Plan");

NOW, THEREFORE, effective as of March 4, 1996, the Plan is hereby amended and restated as follows:

1. Purpose. The Plan is intended to provide a means whereby the Company may, through the grant of stock options (the "Options") to officers and other key employees of the Company and its Subsidiaries ("Key Employees"), attract and retain such Key Employees and motivate them to exercise their best efforts on behalf of the Company and of its Subsidiaries. Any Option granted under the Plan is intended to be a nonqualified stock option (i.e., an option which does not qualify as an incentive stock option within the meaning of section 422 of the Internal Revenue Code of 1986, as amended (the "Code")).

For purposes of the Plan, a "Subsidiary" shall mean a "subsidiary corporation" of the Company, as defined in section 424(f) of the Code. Further "Stockholders' Agreement" shall mean that Stockholders' Agreement, dated June 11, 1987, entered into by (a) the Company, (b) its corporate stockholders at that time -- Intergraph Corporations and Tensor Technology, Inc., and (c) four of its individual stockholders -- Barry J. Bentley, Keith A. Bentley, Richard P. Bentley, and Raymond B. Bentley, as it may be amended from time to time.

2. Administration. Where authorized by the Company's Board of Directors, the Plan shall be administered by the Company's Stock Option Committee (the "Committee"), consisting of at least two directors of the Company who shall be appointed by, and shall serve at the pleasure of, the Company's Board of Directors (the "Board"). Where the Board has not authorized a Committee to administer the Plan, the Plan shall be administered by the Board (and all references in this Plan to the "Committee" shall be

construed as referring to the "Board"). Each member of the Committee, while serving as such, shall be deemed to be acting in his capacity as a director of the Company. Except as permitted under section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations thereunder, on and after the date the Company completes a public offering of its Common Stock under the Securities Exchange Act of 1933 (the "Public Offering Date") no member of the Committee shall have been granted Options pursuant to the Plan or options or equity securities (within the meaning of Rule 16a-1(d) under the Exchange Act) pursuant to any other plan of the Company or of any of its affiliates, as defined in or under the Exchange Act, at any time during the period commencing with the date which is one year prior to the date the member's service on the Committee began and ending on the date which is one day after the date on which the member's service on the Committee ceased.

The Committee shall have full authority, subject to the terms of the Plan, to select the Key Employees to be granted Options under the Plan, to grant Options on behalf of the Company, and to set the date of grant and the other terms of such Options. The Committee also shall have the authority to establish such rules and regulations, not inconsistent with the provisions of the Plan, for the proper administration of the Plan, to amend, modify, or rescind any such rules and regulations, and to make such determinations and interpretations under or in connection with the Plan, as it deems necessary or advisable. All such rules, regulations, determinations, and interpretations shall be binding and conclusive upon the Company, its stockholders and all employees, and upon their respective legal representatives, beneficiaries, successors, and assigns, and upon all other persons claiming under or through any of them.

No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under it.

3. Eligibility. The class of employees who shall be eligible to receive Options under the Plan shall be the Key Employees, including any

directors who also are officers or key employees of the Company and/or of a Subsidiary, but excluding the following individuals: Barry J. Bentley, Gregory Bentley, Keith A. Bentley, Raymond B. Bentley, and Richard P. Bentley. More than one Option may be granted to a Key Employee under the Plan.

4. Stock. Options may be granted under the Plan to purchase up to a maximum of 500 shares of the Company's $.01 par value common stock ("Common Stock"), subject to adjustment as hereinafter provided. Shares issuable under the Plan may be authorized but unissued shares or reacquired shares, and the Company may purchase shares required for this purpose, from time to time, if it deems such purchase to be advisable. Options may be granted to purchase full and/or fractional shares; accordingly, full and fractional shares are issuable under the Plan. If any Option granted under the Plan expires or otherwise terminates for any reason whatever (including, without limitation, the Key Employee's surrender thereof) without having been exercised, the full and fractional shares subject to the unexercised portion of the Option shall continue to be available for the granting of Options under the Plan as fully as if the shares had never been subject to an Option.

5. Granting of Options. From time to time until the expiration or earlier suspension or discontinuance of the Plan, the Committee may, on behalf of the Company, grant to Key Employees under the Plan such Options as it determines are warranted. In making any determination as to whether a Key Employee shall be granted an Option and as to the number of shares to be covered by the Option, the Committee shall take into account the duties of the Key Employee, his present and potential contributions to the success of the Company or a Subsidiary, the tax implications to the Company and the Key Employee of any Options granted, and such other factors as the Committee shall deem relevant in accomplishing the purposes of the Plan. Moreover, the Committee may provide in the Option that said Option may be exercised only if certain conditions, as determined by the Committee, are fulfilled.

6. Terms and Conditions of Options. The Options granted pursuant to

the Plan shall include expressly or by reference the following terms and conditions, as well as such other provisions not inconsistent with the provisions of this Plan, as the Committee shall deem desirable --

(a) Number of Shares. The Option shall state the number of shares to which the Option pertains.

(b) Price. The Option shall state the Option price which shall be determined and fixed by the Committee in its discretion but, except as provided in paragraph (e) below, shall not be less than the higher of 75 percent of the fair market value of the optioned shares of Common Stock on the date the Option is granted, or the par value thereof.

The fair market value of the optioned shares of Common Stock shall be arrived at by a good faith determination of the Committee and shall be --

(1) the mean between the highest and lowest quoted selling price, if there is a market for, and sales of, the Common Stock on a registered securities exchange or on an over-the-counter market, on the date of grant;

(2) the weighted average of the means between the highest and lowest sales on the nearest date before and the nearest date after the date of grant, if there are no sales on the date of grant but there are sales on dates within a reasonable period both before and after the date of grant;

(3) the mean between the bid and asked prices, as reported by the National Quotation Bureau on the date of grant, if actual sales are not available during a reasonable period beginning before and ending after the date of grant; or

(4) if subparagraphs (1) through (3) are not applicable, such other method of determining fair market value as shall be authorized by the Code, or the rules or regulations thereunder, and adopted by the Committee.

Where the fair market value of the optioned shares of Common Stock is determined under subparagraph (2) above, the average of the means between the highest and lowest sales on the nearest date before and the nearest date after the date of grant is to be weighted inversely by the respective numbers of

trading days between the selling dates and the date of grant (i.e., the valuation date), in accordance with Treas. Reg. Section 20.2031-2(b)(1).

(c) Term. Subject to earlier termination as provided in paragraphs (f), (g), and (h) below and in Section 8 hereof, the term of each Option shall be not more than ten years from the date of grant.

(d) Exercise. Options shall be exercisable in such installments and on such dates, not earlier than six months after the date of grant, as the Committee may specify. Notwithstanding the foregoing, Options granted pursuant to paragraph (e) below shall be exercisable in accordance with the terms of paragraph (e). The Committee may accelerate the exercise date of any outstanding Options (including, without limitation, the six-month exercise date referred to above), in its discretion, if it deems such acceleration to be desirable. Any exercisable Options may be exercised at any time up to the expiration or termination of the Option. Exercisable Options may be exercised, in whole or in part and from time to time, by giving written notice of exercise to the Company at its principal office, specifying the number of full and/or fractional shares to be purchased and accompanied by payment in full of the aggregate Option price for such shares.

The Option price shall be payable --

(1) in cash or its equivalent;

(2) in the discretion of the Committee, in shares of Common Stock previously acquired by the Key Employee; provided that such shares have been held by the Key Employee for a period of more than one year on the date of exercise; or

(3) in the discretion of the Committee, in any combination of subparagraphs (1) and (2) above.

In the event the Option price is paid, in whole or in part, with shares of Common Stock, the portion of the Option price so paid shall be equal to the "fair market value" on the date of exercise of the Option, as such "fair market value" is determined in paragraph (b) above, of the Common Stock so surrendered in payment of the Option price.

(e) Options in Substitution of SAR Shares or Settlement Amount.

(1) Payment of Settlement Amount. Effective with the Company's adoption of the Bentley Systems, Incorporated 1995 Stock Appreciation Rights Plan (the "SAR Plan") on August 7, 1995 and notwithstanding any other provision of this Plan, after the termination or expiration of the Stockholders' Agreement, the Committee may grant Options in payment of all or any portion of a Settlement Amount. Such Options shall have an aggregate exercise price on the Settlement Date equal to the aggregate value of the SAR Shares on the date the SAR Share Award was granted; shall have a term of not less than one nor more than five years; and shall be granted in the ratio of an Option for one share of Common Stock for every 2,000 SAR Shares being paid with Options. The Options shall be exercisable at any time during their term and shall otherwise be subject to all of the terms and conditions of this Plan. As used herein, the terms "Settlement Amount," "Settlement Date," "SAR Shares," and "Award" shall all have the same meanings as such terms under the SAR Plan.

(2) Substitution for SAR Shares. At any time after the termination or expiration of the Stockholders' Agreement, Options subject to all of the terms and conditions of this Plan may be granted in place of SAR Shares awarded under the SAR Plan, in the ratio of an Option for one share of Common Stock for each 2,000 SAR Shares. In the event an Option is substituted for SAR Shares, the aggregate exercise price of such Option shall equal the aggregate value, on the date such SAR Shares were awarded, of the SAR Shares for which the Option is substituted, and the term of such Option shall be not less than one nor more than five years. The Key Employee shall be immediately vested in the Option to the same extent that he was vested in the SAR Shares for which the Option is substituted and shall continue to vest in the Option at the same rate that he would have vested in the SAR Shares for which the Option is substituted. Any SAR Shares for which an Option is substituted shall be cancelled as of the date of the substitution.

(f) Termination of Employment. If a Key Employee's employment by the

Company (and Subsidiaries) is terminated by either party prior to the expiration date fixed for his Option for any reason other than death or disability, such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of such termination, or to any greater extent permitted by the Committee, by the Key Employee at any time prior to the earlier of (i) the expiration date specified in such Option; or (ii) (A) in the case of the Key Employee's voluntary termination or in the case of a termination for Cause, the date of such termination of employment or (B) otherwise, 90 days after such termination of employment. For this purpose, "Cause" shall mean (i) the Key Employee's failure to perform the duties of his position, provided such failure has a material, adverse effect on the Company or any Subsidiary; (ii) the Key Employee's misappropriation of any assets of the Company or any Subsidiary; (iii) the Key Employee's drunkenness or misuse of drugs while performing services for the Company or any Subsidiary; or (iv) the Key Employee's being convicted of a misdemeanor, the penalty for which is imprisonment for more than one year, or a felony.

(g) Exercise upon Disability of Key Employee. If a Key Employee becomes disabled (within the meaning of section 22(e)(3) of the Code) during his employment and, prior to the expiration date fixed for his Option, his employment is terminated as a consequence of such disability, such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of such termination, or to any greater extent permitted by the Committee, by the Key Employee at any time prior to the earlier of (i) the expiration date specified in such Option, or (ii) one year after such termination of employment. In the event of the Key Employee's legal disability, such Option may be so exercised by the Key Employee's legal representative.

(h) Exercise upon Death of Key Employee. If a Key Employee dies during his employment, and prior to the expiration date fixed for his Option, or if a Key Employee whose employment is terminated for any reason, dies

following his termination of employment but prior to the earlier of (i) the expiration date fixed for his Option, or (ii) the expiration of the period determined under paragraphs (f) and (g) above such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of his death, or to any greater extent permitted by the Committee, by the Key Employee's estate, personal representative or beneficiary who acquired the right to exercise such Option by bequest or inheritance or by reason of the death of the Key Employee. Such post-death exercise may occur at any time prior to the earlier of (i) the expiration date specified in such Option or (ii) an accelerated termination date determined by the Committee, in its discretion; except that, subject to Section 8 hereof, such accelerated termination date shall not be earlier than one year, nor later than three years, after the date of death.

(i) Exercise Upon Change in Control. Notwithstanding any other provision of this Plan, all outstanding Options shall become fully vested and exercisable upon a Change in Control. In the event of a Change in Control in which outstanding Options are not assumed by the surviving entity, the Committee shall terminate all outstanding Options on at least seven days' notice. Any such Option which is to be so terminated may be exercised up to, and including the date immediately preceding such termination. With respect to any such Option which is to be so terminated but which is not exercised prior to its termination, the Committee shall cause the Company to pay to each Key Employee an amount in cash with respect to each full and/or fractional share of Common Stock to which his unexercised Option pertains. Such cash amount shall be equal to the difference between the Option price and the fair market value, as determined by the Committee in accordance with paragraph (b) above, of the full and fractional shares of Common Stock to which the Key Employee's unexercised Option pertains.

(1) Except as provided in subparagraph (2) below, "Change in Control" shall be deemed to have taken place if:

(A) any person, including a group but excluding the

Company or any stockholder of the Company as of March 4, 1996, becomes the beneficial owner of shares of the Company having 50 percent or more of the total number of votes that may be cast for the election of directors of the Company;

(B) there occurs any cash tender or exchange offer for shares of the Company, merger or other business combination, or sale of assets, or any combination of the foregoing transactions, and as a result of or in connection with any such event persons who were directors of the Company before the event shall cease to constitute a majority of the board of directors of the Company or any successor to the Company; or

(C) during any period of two consecutive calendar years beginning after the date of the initial public offering of the Common Stock, members of the Incumbent Board cease for any reason to constitute a majority of the Board; for this purpose, the "Incumbent Board" shall consist of the individuals who at the beginning of such period constitute the entire Board and any new director -- other than a director (i) designated or nominated by, or affiliated with, a person who has entered into an agreement with the Company to effect a transaction described in (B) above, or (ii) who initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 under the Exchange Act) or other actual or threatened solicitation of proxies or contests by or on behalf of a person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest -- whose election by the Board or nomination for election by the stockholders of the Company was approved by a vote of at least 2/3rds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(2) Notwithstanding subparagraph (1) above, if any of the events listed in subparagraph (1) above occurs solely as a consequence of the sale by Intergraph Corporation of all or a portion of its interest in the

Company, such event shall not constitute a Change in Control.

(3) As used in subparagraphs (1) and (2) above, the terms "person" and "beneficial owner" have the same meanings as such terms under section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(j) Non-Transferability. No Option shall be assignable or transferable by the Key Employee other than by will or by the laws of descent and distribution, and during the lifetime of the Key Employee, the Option shall be exercisable only by him or by his guardian or legal representative. If the Key Employee is married at the time of exercise and if the Key Employee so requests at the time of exercise, the certificate or certificates shall be registered in the name of the Key Employee and the Key Employee's spouse, jointly, with right of survivorship.

(k) Rights as a Stockholder. A Key Employee shall have no rights as a stockholder with respect to any shares covered by his Option until the issuance of a stock certificate to him for such shares.

(l) Listing and Registration of Shares. Each Option shall be subject to the requirement that, if at any time the Committee shall determine, in its discretion, that the listing, registration, or qualification of the shares of Common Stock covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Option or the purchase of shares of Common Stock thereunder, or that action by the Company or by the Key Employee should be taken in order to obtain an exemption from any such requirement, no such Option may be exercised, in whole or in part, unless and until such listing, registration, qualification, consent, approval, or action shall have been effected, obtained, or taken under conditions acceptable to the Committee. Without limiting the generality of the foregoing, each Key Employee or his legal representative or beneficiary may also be required to give satisfactory assurance that shares purchased upon exercise of an Option are being purchased

for investment and not with a view to distribution, and certificates representing such shares may be legended accordingly.

(m) Withholding and Use of Shares to Satisfy Tax Obligations. The obligation of the Company to deliver shares of Common Stock upon the exercise of any Option (or cash in lieu thereof) shall be subject to any applicable federal, state or local tax withholding requirements.

If the exercise of any Option is subject to the withholding requirements of applicable federal tax law, the Committee, in its discretion, may permit the Key Employee to satisfy the minimum federal withholding tax, in whole or in part, by electing to have the Company withhold shares of Common Stock subject to the exercise (or by returning previously acquired shares of Common Stock to the Company). The Company may not withhold shares in excess of the number necessary to satisfy the minimum federal tax withholding requirements. Shares of Common Stock shall be valued, for purposes of this paragraph, at their fair market value on the date the amount attributable to the exercise of the Option is includable in income by the Key Employee under section 83 of the Code (the "Determination Date").

If shares of Common Stock acquired by the exercise of an option under this Plan or a similar plan are used to satisfy such withholding requirement, such shares must have been held by the Key Employee for more than one year on the Determination Date.

7. Option Agreements -- Other Provisions. Options granted under the Plan shall be evidenced by written documents ("Option Agreements") in such form as the Committee shall from time to time approve, and containing such provisions not inconsistent with the provisions of the Plan, as the Committee shall deem advisable. Each Key Employee shall enter into, and be bound by, an Option Agreement.

8. Capital Adjustments. The number of shares which may be issued under the Plan, as stated in Section 4 hereof, the ratio of shares to SAR Shares stated in Section 6(e) and Section 12(c) hereof, and the number of shares issuable upon exercise of outstanding Options under the Plan (as well as the Option price per share under such outstanding Options), shall be adjusted to reflect any stock dividend, stock split, share combination, or similar change in the capitalization of the Company. In the event any such change in capitalization cannot be reflected in a straight mathematical adjustment of the ratio of shares to SAR Shares or the number of shares issuable upon the exercise of outstanding Options (and a straight mathematical adjustment of the exercise price thereof), the Committee shall make such adjustments as are appropriate to reflect most nearly such straight mathematical adjustment. Such adjustments shall be made only as necessary to maintain the proportionate interest of Key Employees, and preserve, without exceeding, the value of SAR Shares and Options.

In the event of any recapitalization, merger, consolidation, exchange of shares, sale of all or substantially all of the assets of the Company, split-up, split-off, spin-off, liquidation, or any distribution to holders of Common Stock other than stock dividends or cash dividends, the Committee shall, in its sole and absolute discretion, have the right to make appropriate adjustments to the ratio of shares to SAR Shares stated in Section 6(e) and Section 12(c) hereof.

In the event of a corporate transaction such as a merger or consolidation, acquisition of property or stock, reorganization, or liquidation in which the Company is not the surviving corporation, each outstanding Option shall be assumed by the surviving or successor corporation. In the event of a proposed corporate transaction in which each outstanding Option is not assumed by the surviving or successor corporation, the Committee shall terminate all the outstanding Options upon at least seven days' notice. Any such Option which is to be so terminated may be exercised (if and only to the extent that it is then exercisable) up to, and including the date immediately preceding

such termination. With respect to any such Option which is to be so terminated but which is not exercised prior to its termination, the Committee shall cause the Company to pay to each Key Employee an amount in cash with respect to each full and/or fractional share of Common Stock to which his unexercised terminated Option was exercisable immediately before termination. Such cash amount shall be equal to the difference between the Option price and the value, as determined by the Committee, of the consideration to be received by the holders of shares of Common Stock in connection with such transaction.

The Committee also may, in its discretion, change the terms of any outstanding Option to reflect any such corporate transaction. Further, as provided in Section 7(d) hereof the Committee, in its discretion, may accelerate, in whole or in part, the date on which any or all Options become exercisable.

9. Amendment or Discontinuance of the Plan

(a) In General. The Board, pursuant to a written resolution, from time to time may suspend or discontinue the Plan or amend it in any respect whatsoever; except that, on or after the Public Offering Date (as defined in Section 2 hereof), without the approval of the stockholders (given in the manner set forth in paragraph (b) below) --

(1) any requirement as to eligibility for participation in the Plan by directors and officers, within the meaning of Rule 16a-1(f) under the Exchange Act (hereinafter referred to as "Officers") shall not be materially modified;

(2) the maximum number of shares of Common Stock with respect to which Options may be granted to Officers shall not be materially increased; and

(3) the benefits accruing to employees participating in the Plan shall not be materially increased.

(b) Manner of Stockholder Approval. The approval of stockholders must be by a majority of the outstanding shares of Common Stock

present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable laws of the State of Delaware.

10. Absence of Rights. Neither the adoption of the Plan nor any action of the Board or the Committee shall be deemed to give any individual any right to be granted an Option, or any other right hereunder, unless and until the Committee shall have granted such individual an Option, and then his rights shall be only such as are provided by the Option Agreement.

Any Option under the Plan shall not entitle the holder thereof to any rights as a stockholder of the Company prior to the exercise of such Option and the issuance of the shares pursuant thereto. Further, notwithstanding any provisions of the Plan or the Option Agreement with a Key Employee, the Company and any Subsidiary shall have the right, in its discretion but subject to any employment contract entered into with the Key Employee, to retire the Key Employee at any time pursuant to its retirement rules or otherwise to terminate his employment at any time for any reason whatsoever.

11. Indemnification of Board and Committee. Without limiting any other rights of indemnification which they may have from the Company and any Subsidiary, the members of the Board and the members of the Committee shall be indemnified by the Company against all costs and expenses reasonably incurred by them in connection with any claim, action, suit, or proceeding to which they or any of them may be a party by reason of any action taken or failure to act under, or in connection with, the Plan, or any Option granted thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding, except a judgment based upon a finding of willful misconduct or recklessness on their part. Upon the making or institution of any such claim, action, suit, or proceeding, the Board or Committee member shall notify the Company in writing, giving the Company an opportunity, at its own expense, to handle and defend the same before such Board or Committee member undertakes to handle it

on his own behalf.

12. Company's Right of First Refusal and Right to Repurchase Common Stock; Proxy or Voting Agreement. Any shares of Common Stock issued pursuant to the exercise of Options that were granted under this Plan, including Options granted pursuant to Section 6(e) hereof, shall be subject to this Section 12 until the Public Offering Date. Common Stock certificates issued on behalf of a Key Employee may include a legend setting forth restrictions on transfer and any other legend required by the Committee.

(a) Proxy or Voting Agreement. The Committee may condition the issuance of shares of Common Stock to a Key Employee or a Key Employee's beneficiary on the Key Employee or beneficiary's entering into a proxy or voting agreement with the Company with respect to such shares of Common Stock.

(b) Company's Right of First Refusal. Key Employees and beneficiaries shall not sell or otherwise transfer, or pledge or otherwise encumber (collectively, "Transfer"), whether voluntarily or by operation of law, any shares of Common Stock except in accordance with the terms and conditions of this paragraph (b). Any Transfer in violation of this paragraph (b) shall be null and void and of no force and effect.

A Key Employee (or, if applicable, beneficiary) shall give the Company not fewer than 15 calendar days prior written notice of any proposed Transfer of shares of Common Stock to a third party (a "Transferee") (other than a Transfer in the initial registered underwritten public offering of the Common Stock), identifying the Transferee and the consideration, if any, to be paid for the shares. If the Company objects to such proposed Transferee, it shall so notify the Key Employee (or beneficiary). If the Key Employee (or beneficiary) still desires to effect the Transfer to such Transferee, the Key Employee (or beneficiary) shall so notify the Company, and the Company shall have the right, exercisable by notice to the Key Employee (or beneficiary) within 15 calendar days following its receipt of notice from the Key Employee (or beneficiary) of the Key Employee's (or beneficiary's) continued intention to make the Transfer, to repurchase the shares intended to be Transferred by

the Key Employee (or beneficiary). The purchase price to be paid to the Key Employee (or beneficiary) upon any such repurchase shall be a cash amount equal to the cash consideration the Key Employee (or beneficiary) would have received from the proposed Transferee upon such Transfer, or, if the proposed Transfer was to be without consideration or for a consideration other than cash, the per share purchase price to be paid to the Key Employee (or beneficiary) shall be determined as described in Part C of this Article.

Closing with respect to the repurchase of such shares of Common Stock shall take place at the Company's principal office not more than 30 calendar days following the later of (i) the date of the Company's notice of its intention to repurchase the shares intended to be Transferred by the Key Employee (or beneficiary) or (ii) the date on which the value of the shares has been determined. The purchase price of such shares shall be paid in cash, by check or by wire transfer.

(c) Company's Right to Repurchase Common Stock. Upon termination of the Key Employee's employment with the Company and Subsidiaries by reason of death, disability, voluntary resignation, or discharge for Cause (as defined in Section 6(e) hereof), the Company shall have the right, but not the obligation, to purchase all, or any whole number of shares less than all, of the shares of Common Stock then owned by the Key Employee or the Key Employee's beneficiary (the "Repurchase Right"). The per share purchase price of the shares pursuant to the Repurchase Right, or pursuant to the last sentence of the second paragraph of paragraph (b) above, shall be determined by dividing the Company's fair market value (as determined in accordance with Exhibit A to the SAR Plan) by the total number of outstanding shares of Common Stock and Common Stock equivalents (i.e., the total number of SAR Shares divided by 2,000, and the total number of shares subject to outstanding options), all determined at the time described below. The Repurchase Right shall expire 45 calendar days after the Key Employee's termination of employment with the Company, unless the Company has given written notice to the Key Employee (or the Employee's beneficiary) of its exercise of the

Repurchase Right, prior to the expiration of such 45-day period.

For purposes hereof, both the Company's fair market value and the total number of outstanding shares of Common Stock and Common Stock equivalents shall be determined (i) in the case of an exercise of a Repurchase Right under this paragraph (c), as of the date the Company gives the Key Employee (or beneficiary) written notice of its exercise of the Repurchase Right, or (ii) in the case of an exercise of a Repurchase Right in connection with a proposed Transfer of Shares under paragraph (b) above, as of the date the Company gives the Key Employee written notice of its exercise of such repurchase right under paragraph (b). Such notice shall be deemed given as of the earlier of the date it is personally delivered by the Company to the Key Employee or the date it is mailed to the Key Employee's last known address by certified U.S. mail, return receipt requested.

Closing with respect to any such repurchase of shares of Common Stock by the Company pursuant to this paragraph (c) shall be held as described in paragraph (b) above.

13. Application of Funds. The proceeds received by the Company from the sale of Common Stock pursuant to Options granted under the Plan shall be used for general corporate purposes. Any cash received in payment for shares upon exercise of an Option to purchase Common Stock shall be added to the general funds of the Company and shall be used for its corporate purposes. Any Common Stock received in payment for shares upon exercise of an Option to purchase Common Stock shall become treasury stock.

14. No Obligation to Exercise Option. The granting of an Option shall impose no obligation upon a Key Employee to exercise such Option.

15. Termination of Plan. Unless earlier terminated as provided in the Plan, the Plan and all authority granted hereunder shall terminate absolutely at 12:00 midnight on March 28, 2005, which date is within 10 years after the date the Plan was adopted by the Board, and no Options hereunder shall be granted thereafter. Nothing contained in this Section, however, shall terminate or affect the continued existence of rights created under Options

issued hereunder, and outstanding on the date set forth in the preceding sentence, which by their terms extend beyond such date.

16. Governing Law. The laws of the State of Delaware shall govern the operation of, and the rights of Key Employees under, the Plan, and Options granted thereunder.

EXHIBIT 10.9

BENTLEY SYSTEMS, INCORPORATED
1997 STOCK OPTION PLAN
(AS AMENDED EFFECTIVE FEBRUARY 17, 2000)

TABLE OF CONTENTS

BENTLEY SYSTEMS, INCORPORATED
1997 STOCK OPTION PLAN
(AS AMENDED EFFECTIVE FEBRUARY 17, 2000)

WHEREAS, Bentley Systems, Incorporated, a Delaware corporation (the "Company"), desires to award stock options to certain of its officers and other key employees;

NOW, THEREFORE, the Bentley Systems, Incorporated 1997 Stock Option Plan is hereby adopted under the following terms and conditions:

1. PURPOSE. The Bentley Systems, Incorporated 1997 Stock Option Plan (the "Plan") is intended to provide a means whereby the Company may, through the grant of incentive stock options and nonqualified stock options (collectively, the "Options") to officers and other key employees of the Company and its Subsidiaries ("Key Employees"), attract and retain such Key Employees and motivate them to exercise their best efforts on behalf of the Company and of its Subsidiaries.

For purposes of the Plan, a "Subsidiary" shall mean a "subsidiary corporation" of the Company, as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Further, as used in the Plan, (i) the term "ISO" shall mean an option which, at the time such option is granted, qualifies as an incentive stock option within the meaning of Section 422 of the Code and is designated as an ISO in the "Option Agreement" (as defined in Section 8 hereof); and (ii) the term "NQSO" shall mean an option which, at the time such option is granted, does not qualify as an ISO, and is designated as a nonqualified stock option in the Option Agreement (as defined in Section 8 hereof).

2. ADMINISTRATION. Where authorized by the Company's Board of Directors (the "Board"), the Plan shall be administered by the Company's Stock Option Committee (the "Committee"), consisting of at least two directors of the Company who shall be appointed by, and shall serve at the pleasure of, the Board. The Board shall change the membership of the Committee, to the extent necessary, so that on and after the date (the "Public Offering Date") the Company first registers equity securities under Section 12 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the Committee shall consist solely of not fewer than two "non-employee directors" (within the meaning of Rule 16b-3(b)(3) under the Exchange Act, or any successor thereto) of the Company who are also "outside directors" (within the meaning of Treas. Reg. & sect; 1.162-27(e)(3), or any successor thereto) of the Company. Where the Board has not authorized a Committee to administer the Plan or where the Committee cannot be constituted to vote on the grant of an Option (for example, because of state laws governing corporate self-dealing), the Plan shall be administered by the entire Board (and all references in this Plan to the "Committee" shall be construed as referring to the "Board"); provided, however, that a member of the Board shall not participate in a vote approving the grant of an Option to himself to the extent provided under the laws of the State of Delaware governing corporate self-dealing. Each

member of the Committee, while serving as such, shall be deemed to be acting in his capacity as a director of the Company.

The Committee shall have full authority, subject to the terms of the Plan, to select the Key Employees to be granted Options under the Plan, to grant Options on behalf of the Company, and to set the date of grant and the other terms of such Options. The Committee may correct any defect, supply any omission, and reconcile any inconsistency in the Plan and in any Option granted hereunder in the manner and to the extent it deems desirable. The Committee may also, in its discretion, adjust the price of an Option, or cancel an Option and grant a new Option to replace the cancelled Option; provided, that if the Committee changes the price of an Option or replaces an Option, the resulting Option shall be treated as a new Option granted on the date of such change or replacement and shall comply with the terms of the Plan as such. The Committee also shall have the authority to establish such rules and regulations, not inconsistent with the provisions of the Plan, for the proper administration of the Plan, to amend, modify, or rescind any such rules and regulations, and to make such determinations and interpretations under or in connection with the Plan, as it deems necessary or advisable. All such rules, regulations, determinations, and interpretations shall be binding and conclusive upon the Company, its stockholders and all employees, and upon their respective legal representatives, beneficiaries, successors, and assigns, and upon all other persons claiming under or through any of them.

No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under it.

3. ELIGIBILITY. The class of employees who shall be eligible to receive Options under the Plan shall be the Key Employees, including any directors who also are officers or key employees of the Company and/or of a Subsidiary. More than one Option may be granted to a Key Employee under the Plan.

4. STOCK. Options may be granted under the Plan to purchase up to a maximum of 3,800,000 shares of the Company's $.01 par value Class B (non-voting) common stock ("Common Stock"); provided, however, that on and after the Public Offering Date (as defined in Section 2 hereof), no Key Employee shall receive Options under the Plan in any calendar year for more than 75,000 shares of the Company's Common Stock. However, both the limits in the preceding sentence shall be subject to adjustment as hereinafter provided. Shares issuable under the Plan may be authorized but unissued shares or reacquired shares, and the Company may purchase shares required for this purpose, from time to time, if it deems such purchase to be advisable.

If any Option granted under the Plan expires, or if any such Option is canceled for any reason whatsoever (including, without limitation, the Key Employee's surrender thereof), without having been exercised, the full and fractional shares subject to the unexercised portion of the Option shall continue to be available for the granting of Options under the Plan as fully as if the shares had never been subject to an Option. However, (i) if an Option is canceled, the shares of Common Stock covered by the canceled Option shall be counted against the maximum number of shares for which Options may be granted to a single Key Employee, and (ii) if the exercise price of an Option is reduced after the date of grant, the transaction shall be treated as a cancellation of the original Option and the grant of a new Option for purposes of such maximum.

5. GRANTING OF OPTIONS. From time to time until the expiration or earlier suspension or discontinuance of the Plan, the Committee may, on behalf of the Company, grant to Key Employees under the Plan such Options as it determines are warranted; provided, however, that grants of ISOs and NQSOs shall be separate and not in tandem. In making any determination as to whether a Key Employee shall be granted an Option, the type of Option to be granted, the number of shares to be covered by the Option, and other terms of the Option, the Committee shall take into account the duties of the Key Employee, his present and potential contributions to the success of the Company or a Subsidiary, the tax implications to the Company and the Key Employee of any Options granted, and such other factors as the Committee shall deem relevant in accomplishing the purposes of the Plan. Moreover, the Committee may provide in the Option that said Option may be exercised only if certain conditions, as determined by the Committee, are fulfilled.

6. ANNUAL LIMIT.

(a) ISOs. The aggregate fair market value (determined under Section 7(b) hereof as of the date the ISO is granted) of the Common Stock with respect to which ISOs are exercisable for the first time by a Key Employee during any calendar year (counting ISOs under this Plan and incentive stock options under any other stock option plan of the Company or a Subsidiary) shall not exceed $100,000. If an Option intended as an ISO is granted to a Key Employee and the Option may not be treated in whole or in part as an ISO pursuant to the $100,000 limitation, the Option shall be treated as an ISO to the extent it may be so treated under the limitation and as an NQSO as to the remainder. For purposes of determining whether an ISO would cause the limitation to be exceeded, ISOs shall be taken into account in the order granted.

(b) NQSOs. The annual limits set forth above for ISOs shall not apply to NQSOs.

7. TERMS AND CONDITIONS OF OPTIONS. The Options granted pursuant to the Plan shall include expressly or by reference the following terms and conditions, as well as such other provisions not inconsistent with the provisions of this Plan and, for ISOs granted under this Plan, the provisions of Section 422(b) of the Code, as the Committee shall deem desirable --

(a) NUMBER OF SHARES. The Option shall state the number of shares of Common Stock to which the Option pertains.

(b) PRICE. The Option shall state the Option price which shall be determined and fixed by the Committee in its discretion but, in the case of an ISO, shall not be less than the higher of 100 percent (110 percent in the case of more-than-10-percent shareholder, as provided in subsection (k) below) of the fair market value of the optioned shares of Common Stock on the date the ISO is granted, or the par value thereof, and, in the case of an NQSO, shall not be less than the higher of 100 percent of the fair market value of the optioned shares of Common Stock on the date the NQSO is granted, or the par value thereof.

The fair market value of the optioned shares of Common Stock shall be arrived at by a good faith determination of the Committee and shall be --

(1) the mean between the highest and lowest quoted selling price, if there is a market for, and sales of, the Common Stock on a registered securities exchange or on an over-the-counter market, on the date of grant;

(2) the weighted average of the means between the highest and lowest sales on the nearest date before and the nearest date after the date of grant, if there are no sales on the date of grant but there are sales on dates within a reasonable period both before and after the date of grant;

(3) the mean between the bid and asked prices, as reported by the National Quotation Bureau, on the date of grant, if actual sales are not available during a reasonable period beginning before and ending after the date of grant; or

(4) if subparagraphs (1) through (3) are not applicable, such other method of determining fair market value as shall be authorized by the Code, or the rules or regulations thereunder, and adopted by the Committee.

Where the fair market value of the optioned shares of Common Stock is determined under subparagraph (2) above, the average of the means between the highest and lowest sales on the nearest date before and the nearest date after the date of grant shall be weighted inversely by the respective numbers of trading days between the selling dates and the date of grant (i.e., the valuation date), in accordance with Treas. Reg. § 20.2031-2(b)(1), or any successor thereto.

(c) TERMS

(1) ISOs. Subject to earlier termination as provided in subsections (e), (f), (g) and (h) below and in Section 9 hereof, the term of each ISO shall be not more than 10 years (five years in the case of a more-than-10-percent shareholder, as discussed in subsection (k) below) from the date of grant.

(2) NQSOs. Subject to earlier termination as provided in paragraphs (e), (f), (g) and (h) below and in Section 9 hereof, the term of each NQSO shall be not more than 10 years from the date of grant.

(3) EXERCISE. Options shall be exercisable in such installments and on such dates as the Committee may specify; provided that (i) in the case of new Options granted to a Key Employee to replace options (whether granted under the Plan or otherwise) held by the Key Employee or in the case of Options repriced by the Committee, the new or repriced Options may be made exercisable, if so determined by the Committee, in its discretion, at the earliest date the original Options were exercisable, but not earlier than six months from the date of grant of the new Options or the repricing of the original Options; and (ii) the Committee may accelerate the exercise date of any outstanding Options, in its discretion, if it deems such acceleration to be desirable.

Any exercisable Options may be exercised at any time up to the expiration or termination of the Option. Exercisable Options may be exercised, in whole or in part and from time to time, by giving written notice of exercise to the Company at its principal office, specifying the number

of full and/or fractional shares to be purchased and accompanied by payment in full of the aggregate Option price for such shares (except that, in the case of an exercise arrangement approved by the Committee and described in paragraph (4) below, payment may be made as soon as practicable after the exercise).

The Option price shall be payable in the case of an ISO, if the Committee in its discretion causes the Option Agreement so to provide, and in the case of an NQSO, if the Committee in its discretion so determines at or prior to the time of exercise --

(1) in cash or its equivalent;

(2) in shares of Common Stock previously acquired by the Key Employee; provided that (i) if such shares of Common Stock were acquired through the exercise of an ISO and are used to pay the Option price for ISOs, such shares have been held by the Key Employee for a period of not less than the holding period described in Section 422(a)(1) of the Code on the date of exercise, or (ii) if such shares of Common Stock were acquired through the exercise of an NQSO and are used to pay the Option price of an ISO, or if such shares of Common Stock were acquired through the exercise of an ISO or NQSO and are used to pay the Option price of an NQSO, such shares have been held by the Key Employee for a period of more than one year on the date of exercise;

(3) in Common Stock newly acquired by the Key Employee under exercise of such Option (which shall constitute a disqualifying disposition in the case of an Option which is an ISO);

(4) by delivering a properly executed notice of exercise of the Option to the Company and a broker, with irrevocable instructions to the broker promptly to deliver to the Company the amount of sale or loan proceeds necessary to pay the exercise price of the Option;

(5) if the Key Employee is designated as an "eligible participant" by the Committee at the date of grant in the case of an ISO, or at or after the date of grant in the case of an NQSO, and if the Key Employee thereafter so requests, (i) the Company will loan the Key Employee the money required to pay the exercise price of the Option; (ii) any such loan to a Key Employee shall be made only at the time the Option is exercised; and (iii) the loan will be made on the Key Employee's personal, negotiable, demand promissory note, bearing interest at the lowest rate which will avoid imputation of interest under Section 7872 of the Code, and including such other terms as the Committee may prescribe; or

(6) in any combination of subparagraphs (1), (2), (3), (4) and (5) above.

In the event the Option price is paid, in whole or in part, with shares of Common Stock, the portion of the Option price so paid shall be equal to the aggregate fair market value (determined in paragraph (b) above as of the date of exercise of the Option rather than the date of grant) of the Common Stock so surrendered in payment of the Option price.

(e) TERMINATION OF EMPLOYMENT. If a Key Employee's employment by the Company (and Subsidiaries) is terminated by either party prior to the expiration date fixed for his Option for any reason other than death or disability, such Option may be exercised, to the extent

of the number of shares with respect to which the Key Employee could have exercised it on the date of such termination, or to any greater extent permitted by the Committee, by the Key Employee at any time prior to the earlier of (i) the expiration date specified in such Option; or (ii)(A) in the case of the Key Employee's voluntary termination or in the case of a termination for Cause, the date of such termination of employment (unless the Committee, in its discretion and subject to Section 10 hereof, permits a later expiration date in the case of such a termination, with the consent of the Option holder in the case of an ISO) or (B) otherwise, three months after such termination of employment (unless the Committee, in its discretion and subject to Section 10 hereof, permits a later expiration date in the case of such a termination, with the consent of the Option holder in the case of an ISO). For this purpose, "Cause" shall mean (i) the Key Employee's failure to perform the duties of his position, provided such failure has a material, adverse effect on the Company or any Subsidiary; (ii) the Key Employee's misappropriation of any assets of the Company or any Subsidiary; (iii) the Key Employee's drunkenness or misuse of drugs while performing services for the Company or any Subsidiary; or (iv) the Key Employee's being convicted of a misdemeanor, the penalty for which is imprisonment for more than one year, or a felony.

(f) EXERCISE UPON DISABILITY OF KEY EMPLOYEE. If a Key Employee becomes disabled (within the meaning of Section 22(e)(3) of the Code) during his employment and, prior to the expiration date fixed for his Option, his employment is terminated as a consequence of such disability, such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of such termination, or to any greater extent permitted by the Committee, by the Key Employee at any time prior to the earlier of (i) the expiration date specified in such Option; or (ii) one year after such termination of employment (unless the Committee, in its discretion and subject to Section 10 hereof, permits a later expiration date in the case of such a termination, with the consent of the Option holder in the case of an ISO). In the event of the Key Employee's legal disability, such Option may be so exercised by the Key Employee's legal representative.

(g) EXERCISE UPON DEATH OF KEY EMPLOYEE. If a Key Employee dies during his employment, and prior to the expiration date fixed for his Option, or if a Key Employee whose employment is terminated for any reason, dies following his termination of employment but prior to the earlier of (i) the expiration date fixed for his Option, or (ii) the expiration of the period determined under paragraphs (e) and (f) above, such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of his death, or to any greater extent permitted by the Committee, by the Key Employee's estate, personal representative or beneficiary who acquired the right to exercise such Option by bequest or inheritance or by reason of the death of the Key Employee. Such post-death exercise may occur at any time prior to the earlier of (i) the expiration date specified in such Option or (ii) an accelerated expiration date determined by the Committee, in its discretion; except that, subject to Section 8 hereof, such accelerated expiration date shall not be earlier than one year, nor later than three years, after the date of death.

(h) EXERCISE UPON CHANGE IN CONTROL. Notwithstanding any other provision of this Plan, all outstanding Options shall become fully vested and exercisable upon a Change in Control. In the event of a Change in Control in which outstanding Options are not assumed by

the surviving entity, the Committee shall terminate all outstanding Options on at least seven days' notice. Any such Option which is to be so terminated may be exercised up to, and including the date immediately preceding such termination. With respect to any such Option which is to be so terminated but which is not exercised prior to its termination, the Committee shall cause the Company to pay to each Key Employee an amount in cash with respect to each full and/or fractional share of Common Stock to which his unexercised Option pertains. Such cash amount shall be equal to the difference between the Option price and the fair market value, as determined by the Committee in accordance with paragraph (b) above, of the full and fractional shares of Common Stock to which the Key Employee's unexercised Option pertains.

(1) Except as provided in subparagraph (2) below, "Change in Control" shall be deemed to have taken place if:

(i) any person, including a group but excluding the Company or any stockholder of the Company as of the effective date set forth in Section 15 hereof, becomes the beneficial owner of shares of the Company having 50 percent or more of the total number of votes that may be cast for the election of directors of the Company;

(ii) there occurs any cash tender or exchange offer for shares of the Company, merger or other business combination, or sale of assets, or any combination of the foregoing transactions, and as a result of or in connection with any such event persons who were directors of the Company before the event shall cease to constitute a majority of the board of directors of the Company or any successor to the Company; or

(iii) during any period of two consecutive calendar years beginning after the date of the initial public offering of the Common Stock, members of the Incumbent Board cease for any reason to constitute a majority of the Board; for this purpose, the "Incumbent Board" shall consist of the individuals who at the beginning of such period constitute the entire Board and any new director -- other than a director (i) designated or nominated by, or affiliated with, a person who has entered into an agreement with the Company to effect a transaction described in (B) above, or (ii) who initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 under the Exchange Act) or other actual or threatened solicitation of proxies or contests by or on behalf of a person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest -- whose election by the Board or nomination for election by the stockholders of the Company was approved by a vote of at least 2/3rds of the directors then still in office who either were directors at the beginning of the periods or whose election or nomination for election was previously so approved.

(2) Notwithstanding subparagraph (1) above, if any of the events listed in subparagraph (1) above occurs solely as a consequence of the sale by Intergraph Corporation of all or a portion of its interest in the Company, such event shall not constitute a Change in Control.

(3) As used in subparagraphs (1) and (2) above, the terms "person" and "beneficial owner" have the same meanings as such terms under Section 13(d) of the Exchange

Act and the rules and regulations promulgated thereunder.

(i) NON-TRANSFERABILITY. No ISO and (except as otherwise provided in any Option Agreement) no NQSO shall be assignable or transferable by the Key Employee other than by will or by the laws of descent and distribution, and (subject to the preceding clause) during the lifetime of the Key Employee, the Option shall be exercisable only by him or by his guardian or legal representative. If the Key Employee is married at the time of exercise and if the Key Employee so requests at the time of exercise, the certificate or certificates shall be registered in the name of the Key Employee and the Key Employee's spouse, jointly, with right of survivorship.

(j) RIGHTS AS A STOCKHOLDER. A Key Employee shall have no rights as a stockholder with respect to any shares covered by his Option until the issuance of a stock certificate to him for such shares.

(k) TEN PERCENT SHAREHOLDER. If the Key Employee owns more than 10 percent of the total combined voting power of all shares of stock of the Company or of a Subsidiary at the time an ISO is granted to him, the Option price for the ISO shall not be less than 110 percent of the fair market value (as determined under subsection (b) above) of the optioned shares of Common Stock on the date the ISO is granted, and such ISO, by its terms, shall not be exercisable after the expiration of five years from the date the ISO is granted. The conditions set forth in this subsection shall not apply to NQSOs.

(l) LISTING AND REGISTRATION OF SHARES. Each Option shall be subject to the requirement that, if at any time the Committee shall determine, in its discretion, that the listing, registration, or qualification of the shares of Common Stock covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Option or the purchase of shares of Common Stock thereunder, or that action by the Company or by the Key Employee should be taken in order to obtain an exemption from any such requirement, no such Option may be exercised, in whole or in part, unless and until such listing, registration, qualification, consent, approval, or action shall have been effected, obtained, or taken under conditions acceptable to the Committee. Without limiting the generality of the foregoing, each Key Employee or his legal representative or beneficiary may also be required to give satisfactory assurance that shares purchased upon exercise of an Option are being purchased for investment and not with a view to distribution, and certificates representing such shares may be legended accordingly.

(m) WITHHOLDING AND USE OF SHARES TO SATISFY TAX OBLIGATIONS. The obligation of the Company to deliver shares of Common Stock upon the exercise of any Option (or cash in lieu thereof) shall be subject to any applicable federal, state or local tax withholding requirements.

If the exercise of any Option is subject to the withholding requirements of applicable federal tax law, the Committee, in its discretion, may permit or require the Key Employee to satisfy the minimum federal withholding tax, in whole or in part, by electing to have the Company withhold shares of Common Stock subject to the exercise (or by returning previously

acquired shares of Common Stock to the Company). The Company may not withhold shares in excess of the number necessary to satisfy the minimum federal tax withholding requirements. Shares of Common Stock shall be valued, for purposes of this paragraph, at their fair market value under paragraph (b) above, but as of the date the amount attributable to the exercise of the Option is includable in income by the Key Employee under Section 83 of the Code (the "Determination Date"). If shares of Common Stock acquired by the exercise of an ISO are used to satisfy the withholding requirement described above, such shares of Common Stock must have been held by the Key Employee for a period of not less than the holding period described in Section 422(a)(1) of the Code as of the Determination Date.

The Committee shall adopt such withholding rules as it deems necessary to carry out the provisions of this paragraph.

8. OPTION AGREEMENT -- OTHER PROVISIONS. Options granted under the Plan shall be evidenced by written documents ("Option Agreements") in such form as the Committee shall from time to time approve, and containing such provisions not inconsistent with the provisions of the Plan (and, for ISOs granted pursuant to the Plan, not inconsistent with Section 422(b) of the Code), as the Committee shall deem advisable. The Option Agreements shall specify whether the Option is an ISO or NQSO. Each Key Employee shall enter into, and be bound by, an Option Agreement as soon as practicable after the grant of an Option.

9. CAPITAL ADJUSTMENTS. The number and class of shares which may be issued under the Plan, and the maximum number of shares with respect to which Options may be granted to any Key Employee under the Plan, both as stated in Section 4 hereof, and the number of shares issuable upon exercise of outstanding Options under the Plan (as well as the Option price per share under such outstanding Options) shall be adjusted, as may be deemed appropriate by the Committee, to reflect any stock dividend, stock split, share combination, or similar change in the capitalization of the Company. In the event any such change in capitalization cannot be reflected in a straight mathematical adjustment of the number of shares issuable upon the exercise of outstanding Options (and a straight mathematical adjustment of the exercise price thereof), the Committee shall make such adjustments as are appropriate to reflect most nearly such straight mathematical adjustment. Such adjustments shall be made only as necessary to maintain the proportionate interest of Key Employees, and preserve, without exceeding, the value of Options.

In the event of a corporate transaction (such as, for example, a merger, consolidation, acquisition of property or stock, separation, reorganization, or liquidation), each outstanding Option shall be assumed by the surviving or successor corporation; provided, however, that, in the event of a proposed corporate transaction, the Committee may terminate all or a portion of the outstanding Options, effective upon the closing of the corporate transaction, if it determines that such termination is in the best interests of the Company. If the Committee decides to terminate outstanding Options, the Committee shall give each Key Employee holding an Option to be terminated not fewer than seven days' notice prior to any such termination, and any Option which is to be so terminated may be exercised (if and only to the extent that it is then exercisable) up to, and including the date immediately preceding such termination. At the closing of such corporate transaction, such Options shall be terminated (unless previously exercised) and the Company shall pay to each Key Employee who holds an Option so terminated (except for

any Option which terminated prior to the date of such closing otherwise than by reason of such Committee action) an amount equal to the fair market value of the Common Stock subject to the Option (as determined in good faith by the Committee) less the applicable exercise price of the Option.

The Committee also may, in its discretion, change the terms of any outstanding Option to reflect any such corporate transaction, provided that, in the case of ISOs, such change would not constitute a "modification" under Section 424(h) of the Code, unless the Option holder consents to the change. Further, as provided in Section 6(d) hereof, the Committee, in its discretion, may accelerate, in whole or in part, the date on which any or all Options become exercisable.

10. AMENDMENT OR DISCONTINUANCE OF THE PLAN.

(a) In General. The Board, pursuant to a written resolution, from time to time may suspend or discontinue the Plan or amend it, and the Committee may amend any outstanding Options in any respect whatsoever; except that, without the approval of the stockholders (given in the manner set forth in paragraph (b) below) --

(1) no amendment may be made which would --

(i) change the class of employees eligible to participate in the Plan with respect to ISOs;

(ii) except as permitted under Section 9 hereof, increase the maximum number of shares of Common Stock with respect to which ISOs may be granted under the Plan; or

(iii) extend the duration of the Plan under Section 17 hereof with respect to any ISOs granted hereunder.

(2) on and after the Public Offering Date (as defined in Section 2 hereof), no amendment may be made which would require shareholder approval pursuant to Treas. Reg. § 1.162-27(e)(4)(vi) or any successor thereto.

(3) on and after the Public Offering Date (as defined in Section 2 hereof), no amendment may be made which would require shareholder approval under the rules of the exchange or market on which the Common Stock is listed.

Notwithstanding the foregoing, no such suspension, discontinuance, or amendment shall materially impair the rights of any holder of an outstanding Option without the consent of such holder.

(b) Manner of Stockholder Approval. The approval of stockholders must comply with all applicable provisions of the corporate charter, bylaws, and must be effected --

(1) by a method and in a degree that would be treated as adequate under applicable state law in the case of an action requiring stockholder approval (i.e., an action on which stockholders would be entitled to vote if the action were taken at a duly held stockholders'

meeting); or

(2) by a minority of the votes cast (including abstentions, to the extent abstentions are counted as voting under applicable state law), in a separate vote at a duly held stockholders' meeting at which a quorum representing a majority of all outstanding voting stock is, either in person or by proxy, present and voting on the Plan.

11. ABSENT OF RIGHTS. Neither the adoption of the Plan nor any action of the Board or the Committee shall be deemed to give any individual any right to be granted an Option, or any other right hereunder, unless and until the Committee shall have granted such individual an Option, and then his rights shall be only such as are provided by the Option Agreement.

Any Option under the Plan shall not entitle the holder thereof to any rights as a stockholder of the Company prior to the exercise of such Option and the issuance of the shares pursuant thereto. Further, notwithstanding any provisions of the Plan or the Option Agreement with a Key Employee, the Company and any Subsidiary shall have the right, in its discretion but subject to any employment contract entered into with the Key Employee, to retire the Key Employee at any time pursuant to its retirement rules or otherwise to terminate his employment at any time for any reason whatsoever.

12. INDEMNIFICATION OF BOARD AND COMMITTEE. Without limiting any other rights of indemnification which they may have from the Company and any Subsidiary, the members of the Board and the members of the Committee shall be indemnified by the Company against all costs and expenses reasonably incurred by them in connection with any claim, action, suit, or proceeding to which they or any of them may be a party by reason of any action taken or failure to act under, or in connection with, the Plan, or any Option granted thereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit, or proceeding, except a judgment based upon a finding of willful misconduct or recklessness on their part. Upon the making or institution of any such claim, action, suit, or proceeding, the Board or Committee member shall notify the Company in writing, giving the Company an opportunity, at its own expense, to handle and defend the same before such Board or Committee member undertakes to handle it on his own behalf. The provisions of this Section shall not give members of the Board or the Committee greater rights than they would have under the Company's by-laws or Delaware law.

13. COMPANY'S RIGHT OF FIRST REFUSAL AND RIGHT TO REPURCHASE COMMON STOCK; PROXY OR VOTING AGREEMENT. Any shares of Common Stock issued pursuant to the exercise of Options that were granted under this Plan shall be subject to this Section 13 until the Public Offering Date. Common Stock certificates issued on behalf of a Key Employee may include a legend setting forth restrictions on transfer and any other legend required by the Committee.

(a) PROXY OR VOTING AGREEMENT. The Committee may condition the issuance of shares of Common Stock to a Key Employee or a Key Employee's beneficiary on the Key Employee or beneficiary's entering into a proxy or voting agreement with the Company with respect to such shares of Common Stock.

(b) COMPANY'S RIGHT OF FIRST REFUSAL. Key Employees and beneficiaries shall not sell or otherwise transfer, or pledge or otherwise encumber (collectively, "Transfer"), whether voluntarily or by operation of law, any shares of Common Stock except in accordance with the terms and conditions of this paragraph (b). Any Transfer in violation of this paragraph (b) shall be null and void and of no force and effect.

A Key Employee (or, if applicable, beneficiary) shall give the Company not fewer than 15 calendar days prior written notice of any proposed Transfer of shares of Common Stock to a third party (a "Transferee") (other than a Transfer in the initial registered underwritten public offering of the Common Stock), identifying the Transferee and the consideration, if any, to be paid for the shares. If the Company objects to such proposed Transferee, it shall so notify the Key Employee (or beneficiary). If the Key Employee (or beneficiary) still desires to effect the Transfer to such Transferee, the Key Employee (or beneficiary) shall so notify the Company, and the Company shall have the right, exercisable by notice to the Key Employee (or beneficiary) within 15 calendar days following its receipt of notice from the Key Employee (or beneficiary) of the Key Employee's (or beneficiary's) continued intention to make the Transfer, to repurchase the shares intended to be Transferred by the Key Employee (or beneficiary). The purchase price to be paid to the Key Employee (or beneficiary) upon any such repurchase shall be a cash amount equal to the cash consideration the Key Employee (or beneficiary) would have received from the proposed Transferee upon such Transfer, or, if the proposed Transfer was to be without consideration or for a consideration other than cash, the per share purchase price to be paid to the Key Employee (or beneficiary) shall be determined as described in paragraph (c) below.

Closing with respect to the repurchase of such shares of Common Stock shall take place at the Company's principal office not more than 30 calendar days following the later of (i) the date of the Company's notice of its intention to repurchase the shares intended to be Transferred by the Key Employee (or beneficiary) or (ii) the date on which the value of the shares has been determined. The purchase price of such shares shall be paid in cash, by check or by wire transfer.

(c) COMPANY'S RIGHT TO REPURCHASE COMMON STOCK. Upon termination of the Key Employee's employment with the Company and Subsidiaries for any reason, including death, disability, voluntary resignation, and discharge for Cause (as defined in Section 7(e) hereof), the Company shall have the right, but not the obligation, to purchase all, or any whole number of shares less than all, of the shares of Common Stock then owned by the Key Employee or the Key Employee's beneficiary (the "Repurchase Right"). The per share purchase price of the shares pursuant to the Repurchase Right, or pursuant to the last sentence of the second paragraph of paragraph (b) above, shall be determined by dividing the Company's fair market value (as determined in good faith by the Board) by the total number of outstanding shares of Common Stock and Common Stock equivalents (i.e., the total number of shares subject to outstanding options and outstanding convertible securities), all determined at the time described below. The Repurchase Right shall expire 45 calendar days after the Key Employee's termination of employment with the Company, unless the Company has given written notice to the Key Employee (or the Key Employee's beneficiary) of its exercise of the Repurchase Right, prior to the expiration of such 45-day period.

For purposes hereof, both the Company's fair market value and the total number of

outstanding shares of Common Stock and Common Stock equivalents shall be determined (i) in the case of an exercise of a Repurchase Right under this paragraph (c), as of the date the Company gives the Key Employee (or beneficiary) written notice of its exercise of the Repurchase Right, or (ii) in the case of an exercise of a Repurchase Right in connection with a proposed Transfer of Shares under paragraph (b) above, as of the date the Company gives the Key Employee written notice of its exercise of such Repurchase Right under paragraph (b). Such notice shall be deemed given as of the earlier of the date it is personally delivered by the Company to the Key Employee or the date it is mailed to the Key Employee's last known address by certified U.S. mail, return receipt requested.

Closing with respect to any such repurchase of shares of Common Stock by the Company pursuant to this paragraph (c) shall be held as described in paragraph (b) above.

14. APPLICATION OF FUNDS. The proceeds received by the Company from the sale of Common Stock pursuant to Options granted under the Plan shall be used for general corporate purposes. Any cash received in payment for shares upon exercise of an Option to purchase Common Stock shall be added to the general funds of the Company and shall be used for its corporate purposes. Any Common Stock received in payment for shares upon exercise of an Option to purchase Common Stock shall become treasury stock.

15. NO OBLIGATION TO EXERCISE OPTION. The granting of an Option shall impose no obligation upon a Key Employee to exercise such Option.

16. SHAREHOLDER APPROVAL. This Plan shall become effective on September 16, 1997 (the date the Plan was adopted by the Board); provided, however, that if the Plan is not approved by the stockholders, in the manner described in Section 10(b) hereof, within 12 months before or after the date the Plan was adopted by the Board, the Plan and all Options granted hereunder shall be null and void and no additional Options shall be granted hereunder.

17. TERMINATION OF PLAN. Unless earlier terminated as provided in the Plan, the Plan and all authority granted hereunder shall terminate absolutely at 12:00 midnight on September 15, 2007, which date is within 10 years after the date the Plan was adopted by the Board, or the date the Plan was approved by the stockholders of the Company, whichever is earlier, and no Options hereunder shall be granted thereafter. Nothing contained in this Section, however, shall terminate or affect the continued existence of rights created under Options issued hereunder, and outstanding on the date set forth in the preceding sentence, which by their terms extend beyond such date.

18. GOVERNING LAW. The Plan shall be governed by the applicable Code provisions to the maximum extent possible. Otherwise, the laws of the State of Delaware shall govern the operation of, and the rights of Key Employees under, the Plan, and Options granted thereunder.

AMENDMENT NO. 1 TO THE BENTLEY SYSTEMS, INCORPORATED 1997 STOCK OPTION PLAN

WHEREAS, Bentley Systems, Incorporated (the "Company") established the Bentley Systems, Incorporated 1997 Stock Option Plan (the "Plan");

WHEREAS, Section 10(a) of the Plan provides that, subject to certain limitations, the Board of Directors of the Company (the "Board") may amend the Plan; and

WHEREAS, the Board desires to amend the Plan (i) to increase the number of shares available under the Plan; (ii) to provide a limit on the number of shares a key employee is entitled to receive under the Plan and to specify the period in which the key employee can receive such shares; (iii) to provide flexibility with respect to the period of exercise of an option after termination of employment or disability; (iv) to add a provision requiring shareholder approval for certain amendments; and (v) to make certain other changes;

NOW, THEREFORE, effective as of February 17, 2000, the Plan is hereby amended as follows:

1. The first paragraph of Section 4 of the Plan is hereby amended to read as follows:

> 4. Stock. Options may be granted under the Plan to purchase up to a maximum of 3,800,000 shares of the Company's $.01 par value Class B (non-voting) common stock ("Common Stock"); provided, however, that on and after the Public Offering Date (as defined in Section 2 hereof), no Key Employee shall receive Options under the Plan in any calendar year for more than 75,000 shares of the Company's Common Stock. However, both the limits in the preceding sentence shall be subject to adjustment as hereinafter provided. Shares issuable under the Plan may be authorized but unissued shares or reacquired shares, and the Company may purchase shares required for this purpose, from time to time, if it deems such purchase to be advisable.

* * *

2. The second paragraph of Section 7(d) ("Exercise") of the Plan is hereby amended to read as follows:

> Any exercisable Options may be exercised at any time up to the expiration or termination of the Option. Exercisable Options may be exercised, in whole or in part and from time to time, by giving written notice of exercise to the Company at its principal office, specifying the number of full and/or fractional shares to be purchased and accompanied by payment in full of the aggregate Option price for such shares (except that, in the case of an exercise arrangement

approved by the Committee and described in paragraph (4) below, payment may be made as soon as practicable after the exercise).

3. Section 7(e) of the Plan is hereby amended to read as follows:

(e) Termination of Employment. If a Key Employee's employment by the Company (and Subsidiaries) is terminated by either party prior to the expiration date fixed for his Option for any reason other than death or disability, such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of such termination, or to any greater extent permitted by the Committee, by the Key Employee at any time prior to the earlier of (i) the expiration date specified in such Option; or (ii) (A) in the case of the Key Employee's voluntary termination or in the case of a termination for Cause, the date of such termination of employment (unless the Committee, in its discretion and subject to Section 10 hereof, permits a later expiration date in the case of such a termination, with the consent of the Option holder in the case of an ISO) or (B) otherwise, three months after such termination of employment (unless the Committee, in its discretion and subject to Section 10 hereof, permits a later expiration date in the case of such a termination, with the consent of the Option holder in the case of an ISO). For this purpose, "Cause" shall mean (i) the Key Employee's failure to perform the duties of his position, provided such failure has a material, adverse effect on the Company or any Subsidiary; (ii) the Key Employee's misappropriation of any assets of the Company or any Subsidiary; (iii) the Key Employee's drunkenness or misuse of drugs while performing services for the Company or any Subsidiary; or (iv) the Key Employee's being convicted of a misdemeanor, the penalty for which is imprisonment for more than one year, or a felony.

4. Section 7(f) of the Plan is hereby amended to read as follows:

(f) Exercise upon Disability of Key Employee. If a Key Employee becomes disabled (within the meaning of Section 22(e)(3) of the Code) during his employment and, prior to the expiration date fixed for his Option, his employment is terminated as a consequence of such disability, such Option may be exercised, to the extent of the number of shares with respect to which the Key Employee could have exercised it on the date of such termination, or to any greater extent permitted by the Committee, by the Key Employee at any time prior to the earlier of (i) the expiration date specified in such Option, or (ii) one year after such termination of employment (unless the Committee, in its discretion and subject to Section 10 hereof, permits a later expiration date in the case of such a termination, with the consent of the Option holder in the case of an ISO). In the event of the Key Employee's legal disability, such Option may be so exercised by the Key Employee's legal representative.

5. The first sentence of the first paragraph of Section 9 of the Plan is hereby amended to read as follows:

> 9. Capital Adjustments. The number and class of shares which may be issued under the Plan, and the maximum number of shares with respect to which Options may be granted to any Key Employee under the Plan, both as stated in Section 4 hereof, and the number of shares issuable upon exercise of outstanding Options under the Plan (as well as the Option price per share under such outstanding Options) shall be adjusted, as may be deemed appropriate by the Committee, to reflect any stock dividend, stock split, share combination, or similar change in the capitalization of the Company. * * *

6. The first sentence of the second paragraph of Section 9 of the Plan is hereby amended to read as follows:

> In the event of a corporate transaction (such as, for example, a merger, consolidation, acquisition of property or stock, separation, reorganization, or liquidation), each outstanding Option shall be assumed by the surviving or successor corporation; provided, however, that, in the event of a proposed corporate transaction, the Committee may terminate all or a portion of the outstanding Options, effective upon the closing of the corporate transaction, if it determines that such termination is in the best interests of the Company. * * *

7. A new paragraph (3) to Section 10(a) ("In General") of the Plan is hereby added to read as follows:

> (3) on and after the Public Offering Date (as defined in Section 2 hereof), no amendment may be made which would require shareholder approval under the rules of the exchange or market on which the Common Stock is listed.

8. The first sentence of the first paragraph of Section 13 of the Plan is hereby amended to read as follows:

> 13. Company's Right of First Refusal and Right to Repurchase Common Stock; Proxy or Voting Agreement. Any shares of Common Stock issued pursuant to the exercise of Options that were granted under this Plan shall be subject to this Section 13 until the Public Offering Date. * * *

9. The first sentence of Section 13(c) of the Plan is hereby amended to read as follows:

> (c) Company's Right to Repurchase Common Stock. Upon termination of the Key Employee's employment with the Company and Subsidiaries for any reason, including death, disability, voluntary resignation, and discharge for Cause (as defined in Section 7(e) hereof), the Company shall have

the right, but not the obligation, to purchase all, or any whole number of shares less than all, of the shares of Common Stock then owned by the Key Employee or the Key Employee's beneficiary (the "Repurchase Right"). * * *

THIS WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE (TOGETHER, THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SECURITIES REPRESENTED HEREBY MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN OPINION OF COUNSEL, REASONABLY ACCEPTABLE TO COUNSEL FOR BENTLEY SYSTEMS, INCORPORATED, TO THE EFFECT THAT THE PROPOSED SALE, ASSIGNMENT, TRANSFER, OR DISPOSITION MAY BE EFFECTUATED WITHOUT REGISTRATION UNDER THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER. THE SECURITIES ARE SUBJECT TO THE RESTRICTIONS ON THEIR TRANSFER SET FORTH IN A SECURITIES PURCHASE AGREEMENT DATED [ ].

Date: [ ]

Bentley Systems, Incorporated

Common Stock Purchase Warrant

Bentley Systems, Incorporated, a Delaware corporation (the "Company"), hereby certifies that, in consideration for [_____] ("Holder") entering into inter alia, a Securities Purchase Agreement (the "Agreement") dated as of the date hereof providing for the purchase by Holder of this Warrant and shares of Senior Class C Common Stock (the "Senior Common Stock") of the Company, and for value received, Holder, or permitted assigns, is entitled, subject to the terms set forth below, to purchase from the Company, at any time and from time to time prior to the tenth anniversary of the date hereof (the "Expiration Date"), up to [_____] fully paid and non-assessable shares (the "Warrant Shares") of the Class B Non-Voting Common Stock, par value $.01 per share, of the Company at a price per share equal to the Purchase Price (as hereinafter defined); provided, however, that except as provided in Section 2 hereof, Holder shall not have the right to exercise this Warrant prior to the fifth anniversary of the date hereof. "Purchase Price" means the applicable Exercise Price per Share (as defined in Schedule I attached hereto) as adjusted from time to time in accordance with Section 2. Notwithstanding the foregoing, the Purchase Price and the number and character of shares issuable under this Warrant are subject to adjustment as set forth in Section 2. This Warrant is herein called the "Warrant."

1. EXERCISE OF WARRANT. The purchase rights evidenced by this Warrant shall be exercised by the holder hereof by surrendering this Warrant, with the form of subscription at the end hereof duly executed by such holder, to the Company at its office at 685 Stockton Drive, Exton, PA 19341, or such other address as the Company may specify by written notice to the registered holder hereof, accompanied by payment, in cash, by certified or official bank check or by wire transfer of an amount equal to the Purchase Price multiplied by the number of shares being purchased pursuant to such exercise of the Warrant.

1.1. Partial Exercise. This Warrant may be exercised for (or cancelled under Section 1.2 as to) less than the full number of Warrant Shares issuable hereunder, in which case the number of shares receivable upon the exercise (or cancellation) of this Warrant as a whole, and the sum payable upon the exercise of this Warrant as a whole, shall be proportionately reduced. Upon any such partial exercise (or cancellation), the Company at its expense will forthwith issue to the holder hereof a new Warrant or Warrants of like tenor calling for the number of Warrant Shares as to which rights have not been exercised (or cancelled), such Warrant or Warrants to be issued in the name of the holder hereof or such holder's nominee (upon payment by such holder of any applicable transfer taxes).

1.2. Net Issue Exercise. In lieu of exercising this Warrant or in connection with an automatic exercise under Section 2.1, the holder hereof may elect to receive a number of Warrant Shares equal to the discount percentage in Schedule I that is applicable based on the date of such election times the number of Warrant Shares with respect to which such election is made. Holder may make such an election by surrendering this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue such Warrant Shares to Holder.

2. IPO; LIQUIDITY EVENT; ADJUSTMENTS TO PURCHASE PRICE.

2.1. IPO; Liquidity Event. This Warrant shall be automatically exercised upon the first to occur of (i) the consummation of an IPO (as defined below) or (ii) the consummation of a Liquidity Event (as defined below). This Warrant shall become exercisable but shall not be required to be exercised by the Holder upon a Change of Control of the Company that is not a Liquidity Event. "Change of Control" shall be an event that results in the Bentleys (as defined below) ceasing to own or control more than 50% of the voting securities of the Company. The Company shall provide the Holder hereof with notice of any event that can result in the exercise of this Warrant under this Section 2.1 pursuant to the provisions of Section 10 hereof. If this Warrant is exercised in connection with an IPO, the exercise may, at the option of the holder of this Warrant, be conditioned upon the closing with the underwriters of the sale of securities pursuant to the IPO, in which event the holder of this Warrant shall not be deemed to have exercised this Warrant until immediately prior to the closing of such sale of securities. "IPO" means the Company's initial public offering pursuant to an effective registration statement filed by the Company under the Act covering the offer and sale to the public for the account of the Company of any class or series of common stock of the Company resulting in aggregate gross proceeds to the Company of not less than $15 million at a "pre-money" valuation of at least $225 million; provided, however, that an IPO will be deemed to have occurred as of the end of two consecutive calendar quarters following a public offering that does not meet the requirements set forth above if the average daily market capitalization of the Company during such quarters (as measured based upon the price per share of the securities sold by the Company in such public offering) is equal to or greater than $225 million. "Liquidity Event" means a sale of all or substantially all of the assets of the Company or a merger of the Company that results in the Company's stockholders immediately prior to such transaction holding less than 50% of the voting power of the surviving, continuing or purchasing entity. "Bentleys" shall mean Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Raymond P. Bentley and Richard P. Bentley collectively.

2.2. Adjustments to Purchase Price and Number of Warrant Shares. Prior to the Expiration Date, the Purchase Price and the number of Warrant Shares purchasable upon the exercise of this Warrant are subject to adjustment from time to time upon the occurrence of any of the events enumerated in this Section 2.2. For purposes of this Section 2.2, "Fair Market Value per Share" of securities shall mean: (i) if such securities are traded on a securities exchange, the average of the closing prices of the securities on such exchange during the ten (10) trading day period ending three (3) trading days prior to the applicable date; (ii) if such securities are traded over-the-counter, the average of the closing sales prices of the securities during the ten (10) trading day period ending three (3) trading days prior to the applicable date; and (iii) if there is no public market for such securities, the fair market value thereof as determined in good faith by the Board of Directors of the Company.

(a) In the event that the Company shall at any time after December 26, 2000 and prior to the Expiration Date (i) declare a dividend on common stock in shares or other securities of the Company, (ii) split or subdivide the outstanding common stock, (iii) combine the outstanding common stock into a smaller number of shares or (iv) issue by reclassification of its common stock any shares of other securities of the Company, then, in each such event, the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that on exercise in accordance herewith the holder shall be entitled to receive the kind and number of shares or other securities of the Company which the holder would have owned or have been entitled to receive after the happening of any of the events described above had this Warrant been exercised immediately prior to the happening of such event (or any record date with respect thereto). Such adjustment shall be made whenever any of the events listed above shall occur. An adjustment made pursuant to this subsection (a) shall become effective immediately after the effective date of the event retroactive to the record date, if any, for the event.

(b) (i) In the event that the Company shall at any time after December 26, 2000 and prior to the Expiration Date issue any shares of common stock (excluding shares of common stock issuable upon (A) the conversion or exchange of Convertible Securities (as defined below) (including without limitation Series A Convertible Preferred Stock of the Company (the "Preferred Stock") and shares of Class B Non-Voting Common Stock held in escrow under the Escrow Agreement between the Company and Bachow Investment Partners III, L.P., a Delaware limited partnership (the "Escrow Agreement")), (B) exercise of Options (as defined below), (C) the conversion of common stock, in each case outstanding as of the date hereof, (D) warrants to purchase up to 1,040,000 shares of Common Stock that may be issued in connection with the Guaranty Agreements (as defined in the Revolving Credit and Security Agreement) entered into in connection with the Revolving Credit and Security Agreement dated December 26, 2000 by and among the Company, Bentley Software, Inc., Atlantech Solutions, Inc. and PNC Bank, National Association (the "Revolving Credit and Security Agreement"), or (E) warrants to purchase up to 988,290 shares of Class B Non-Voting Common Stock issued to the lenders pursuant to the Revolving Credit and Security Agreement) without consideration or at a price per share less than the Fair Market Value per Share, then, in each such event (an "Adjustment Event"), the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto (the "Initial Number") shall be adjusted so that the holder of this Warrant when exercised shall be entitled to receive the number of Warrant Shares determined by

multiplying the Initial Number by a fraction, of which the numerator shall be the number of shares of common stock outstanding immediately prior to such Adjustment Event plus the number of additional shares of common stock issued for purchase in such Adjustment Event, and of which the denominator shall be the number of shares of common stock outstanding immediately prior to such Adjustment Event plus the number of shares of common stock which the aggregate issuance price of the total number of shares of common stock issued in such Adjustment Event would purchase at the Exercise Price per Share then in effect.

(ii) In the event that, at any time after [ ], the Company shall in any manner issue or sell any stock or other securities convertible into or exchangeable for shares of common stock (such convertible or exchangeable stock or securities being herein referred to as "Convertible Securities") or grant any rights to subscribe for or to purchase, or any options or warrants for the purchase of, shares of common stock or Convertible Securities (such rights, options or warrants being herein referred to as "Options") and the price per share for which shares of common stock are issuable pursuant to such Options or upon conversion or exchange of such Convertible Securities (determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, or issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of such Options, plus, in the case of such Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the conversion or exchange thereof, by (B) the total maximum number of shares of common stock issuable pursuant to such Options or upon the conversion or exchange of the total maximum amount of such Convertible Securities) shall be less than the Fair Market Value per Share in effect immediately prior to the time of the granting of such Options or issuance or sale of such Options or Convertible Securities, then the total maximum number of shares of common stock issuable pursuant to such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issued or issuable upon the exercise of such Options shall (as of the date of the granting of such Options or issuance or sale of such Convertible Securities) be deemed to be outstanding and to have been issued or sold for purposes of subsection (b)(i) hereof for the price per share as so determined; provided that, except as provided in the following proviso, no further adjustment of the number of Warrant Shares issuable upon exercise of the Warrants shall be made upon actual issue of shares of common stock so deemed to have been issued; provided further, that upon the expiration or termination of any unexercised Options or conversion or exchange privileges for which any adjustment was made pursuant to subsection (b)(i) and this subsection (b)(ii) (or, if the purchase price provided for in any Option referred to in this subsection (b)(ii), the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in this subsection (b)(ii), or the rate at which any Convertible Securities referred to in this subsection (b)(ii) are convertible into or exchangeable for common stock shall change at any time), then the number of Warrant Shares issuable upon exercise of the Warrants shall be readjusted and shall thereafter be such number as would have prevailed had the number of Warrant Shares issuable upon exercise of the Warrants been originally adjusted (or had the original adjustment not been required, as the case may be) on the basis of (A) the shares of common stock, if any, actually issued or sold upon the exercise of such Options or conversion or exchange rights and (B) the consideration actually received by the Company upon such exercise plus the consideration, if any, actually received by the Company for the issuance, sale or grant of

all of such Options or Convertible Securities whether or not exercised; provided, however, that no such readjustment shall have the effect of decreasing the number of Warrant Shares issuable upon exercise of this Warrant by an amount in excess of the amount of the adjustment initially made for the issuance, sale or grant of such Options or Convertible Securities.

(iii) If the Company at any time while this Warrant is outstanding shall, directly or otherwise, purchase, redeem or otherwise acquire any shares of common stock of the Company at a price per share greater than the Fair Market Value per Share then in effect (other than any such acquisition of shares of common stock or Options from any officer or employee of the Company or any redemptions, whether in whole or in part, of the Senior Common Stock), the Initial Number shall be adjusted so that the holder of this Warrant shall be entitled to receive the number of Warrant Shares determined by multiplying the Initial Number by a fraction, of which the numerator shall be the number of shares of common stock outstanding immediately after such purchase, redemption or acquisition and of which the denominator shall be the number of shares of common stock outstanding immediately prior to such purchase, redemption or acquisition minus the number of shares of common stock, which the aggregate consideration for the total number of such shares of common stock so purchased, redeemed or acquired would purchase at the Exercise Price per Share then in effect. For purposes of this subsection (iii), the date as of which the Exercise Price per Share shall be computed shall be the date of actual purchase, redemption or acquisition of such common stock.

(iv) In case any subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company or, if the holder shall, in the exercise of its sole discretion, object to such determination, by appraisal under the process set forth in Schedule I attached hereto. Shares of common stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any computation pursuant to this Section 2.2(b).

(c) No adjustment in the number of Warrant Shares shall be required unless such adjustment would require an increase or decrease of at least .25% in the aggregate number of Warrant Shares purchasable upon exercise of this Warrant; provided that any adjustments which by reason of this subsection 2.2(c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; provided, however, that notwithstanding the foregoing, all such adjustments shall be made no later than three years from the date of the first event that would have required an adjustment but for this paragraph. All calculations under this Section 2.2 shall be made to the nearest cent or to the nearest whole share, as the case may be.

(d) If at any time, as a result of an adjustment made pursuant to this Section 2.2, the holder of this Warrant shall become entitled to receive any shares of the Company other than shares of Class B Non-Voting Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Warrant Shares contained in this Section 2.2, and the provisions of this Agreement with respect to the Warrant Shares shall apply on like terms to such other shares.

(e) Whenever the number of Warrant Shares purchasable upon the exercise of this Warrant is adjusted, the Purchase Price payable upon exercise of this Warrant shall be adjusted by multiplying such Purchase Price immediately prior to such adjustment by a fraction, the numerator of which shall be the number of Warrant Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares purchasable immediately after such adjustment.

(f) In the event of any capital reorganization of the Company, or in the case of the consolidation of the Company with or the merger of the Company with or into any other entity or of the sale of the properties and assets of the Company as, or substantially as, an entirety to any other entity, this Warrant shall, after such capital reorganization, consolidation, merger or sale, and in lieu of being exercisable for Warrant Shares, be exercisable, upon the terms and conditions specified in this Warrant, for the number of shares of stock or other securities or assets (including cash) to which a holder of the number of Warrant Shares purchasable (at the time of such capital reorganization, consolidation, merger or sale) upon exercise of such Warrant would have been entitled upon such capital reorganization, consolidation, merger or sale; and in any such case, if necessary, the provisions set forth in this Section 2.2 with respect to the rights thereafter of the holder of this Warrant shall be appropriately adjusted so as to be applicable, as nearly as they may reasonably be, to any shares of stock or other securities or assets thereafter deliverable on the exercise of this Warrant. The Company shall not effect any such capital reorganization, consolidation, merger or sale unless prior to or simultaneously with the consummation thereof, the successor corporation (if other than the Company) resulting from such capital reorganization, consolidation, merger or sale or the entity purchasing such assets or the appropriate corporation or entity shall assume, by written instrument, the obligation to deliver to the holder of this Warrant the shares of stock, securities or assets to which, in accordance with the foregoing provisions, such holder may be entitled and all other obligations of the Company under this Warrant (and if the Company shall survive the consummation of such capital reorganization, consolidation, merger or sale, such assumption shall be in addition to, and shall not release the Company from, any continuing obligations of the Company under this Warrant).

(g) If any question shall at any time arise with respect to the adjusted Purchase Price or Warrant Shares issuable upon exercise, such question shall be determined by the independent auditors of the Company and such determination shall be binding upon the Company and the holders of this Warrant and the Warrant Shares.

(h) Notices to Warrant Holders. Upon any adjustment of the Purchase Price or number of Warrant Shares issuable upon exercise pursuant to Section 2.2, the Company shall promptly, but in any event within 10 days thereafter, cause to be given to the registered holder of this Warrant, at its address appearing on the Warrant Register by registered mail, postage prepaid, a certificate signed by its chief financial officer setting forth the Purchase Price as so adjusted and/or the number of Warrant Shares issuable upon the exercise of this Warrant as so adjusted and describing in reasonable detail the facts accounting for such adjustment and the method of calculation used.

3. DELIVERY OF STOCK CERTIFICATES ON EXERCISE. As soon as practicable after the exercise of this Warrant and payment of the Purchase Price, and in any event

within ten (10) days thereafter, the Company, at its expense, will cause to be issued in the name of and delivered to the holder hereof a certificate or certificates for the number of fully paid and non-assessable shares or other securities or property to which such holder shall be entitled upon such exercise, plus, in lieu of any fractional share to which such holder would otherwise be entitled, cash in an amount determined in accordance with Section 1.2 hereof. The Company agrees that the shares so purchased shall be deemed to be issued to the holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid.

4. REPLACEMENT OF WARRANT. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to it, or (in the case of mutilation) upon surrender and cancellation thereof, the Company will issue, in lieu thereof, a new Warrant of like tenor.

5. REDEMPTION.

5.1. Holder Redemption. On or after the fifth anniversary of the Closing Date, if the Company has not yet consummated an IPO or a Liquidity Event, the holder hereof shall have the right (the "Redemption Right") to require the Company to redeem the Warrant for a redemption price (the "Redemption Amount") corresponding to the Warrant Fair Market Value (as calculated pursuant to Schedule I attached hereto); provided however, that if the Company has redeemed the Senior Common Stock, the holder hereof shall have the Redemption Right at or any time after such redemption. The Company shall pay the Redemption Amount, in cash, within one hundred eighty (180) days of receiving notice from the holder that the holder is exercising the Redemption Right, together with interest on such amount accruing from the date on which the Company receives notice from the holder that the holder is exercising its Redemption Right to the date such amount is paid at an interest rate equal to the annual prime interest rate then in effect as set by PNC Bank, National Association. Upon a redemption under this Section 5.1, the holder shall surrender this Warrant to the Company at its office specified in Section 1 hereof, and the Company shall cancel this Warrant.

5.2. Company Redemption. On or after the fifth anniversary of the Closing Date, if the Company has not yet consummated an IPO or a Liquidity Event, the Company shall have the right (the "Company Redemption Right"), upon or after the redemption or conversation of all the shares of the Senior Common Stock of the Company, upon providing thirty (30) days prior written notice to the holder and upon receiving the consent of the holder, to redeem the Warrant for a redemption price (the "Company Redemption Amount") corresponding to the Warrant Fair Market Value (as calculated pursuant to Schedule I attached hereto). The Company shall pay the Company Redemption Amount, in cash, on the thirtieth day after it has given notice of such redemption to the holder, together with interest on such amount accruing from the date on which the Company gives notice to the holder that the Company is exercising its Redemption Right at an interest rate equal to the annual prime interest rate then in effect as set by PNC Bank, National Association; provided that prior to the expiration of such thirty (30) day period, the holder may exercise the Warrant in accordance with Section 1 hereof. Upon a redemption under

this Section 5.2, the holder shall surrender this Warrant to the Company at its office specified in Section 1 hereof, and the Company shall cancel this Warrant.

5.3. Preferred Stock. Notwithstanding the foregoing provisions of Section 5.1 and Section 5.2, each time that a holder of a Warrant seeks to exercise the Redemption Right or the Company seeks to exercise the Company Redemption Right, notice of such exercise shall be given by the Company (promptly upon its receipt or issuance of the applicable notice) to each holder of the Preferred Stock and no redemption of a Warrant shall occur prior to thirty (30) days after such notice is provided to each holder of Preferred Stock. If any holder of Preferred Stock exercises its Stockholder Redemption Right (as defined in Section (C)3(a) of the Certificate of Incorporation of the Company) during such thirty (30) day period, no redemption of this Warrant shall occur until all amounts due to all such exercising holders of Preferred Stock have been paid in full.

6. RESERVATION AND ISSUANCE OF WARRANT SHARES. (a) The Company will at all times have authorized, and reserve and keep available, free from preemptive rights, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon the exercise of this Warrant, the number of shares deliverable upon exercise of this Warrant.

(b) Before taking any action which would cause an adjustment pursuant to Section 2.2 hereof reducing the Purchase Price below the then par value (if any) of the Warrant Shares issuable upon exercise of this Warrant, the Company will take any corporate action which may be necessary in order that the Company may validly and legally issue Warrant Shares at the Purchase Price as so adjusted.

(c) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be free from all taxes with respect to the issuance thereof and from all liens, charges and security interests.

7. NEGOTIABILITY. This Warrant is issued upon the following terms, to all of which each taker or owner hereof consents and agrees:

(a) Except as provided in the Certificate of Incorporation, as amended, and Amended and Restated By-laws of the Company, and subject to the legend appearing on the first page hereof, title to this Warrant may be transferred by endorsement (by the holder hereof executing the form of assignment at the end hereof including guaranty of signature) and delivery in the same manner as in the case of a negotiable instrument transferable by endorsement and delivery. Absent an effective registration statement under the Act, covering the disposition of this Warrant or the Warrant Shares issued or issuable upon exercise hereof, the holder will not sell or transfer any or all of such Warrant or Warrant Shares, as the case may be, without first providing the Company with an opinion of counsel (which may be counsel for the Company) to the effect that such sale or transfer will be exempt from the registration and prospectus delivery requirements of the Act. Each certificate representing Warrant Shares issued pursuant to this Warrant, unless at the same time of exercise such Warrant Shares are registered under the Act, shall bear a legend in substantially the following form on the face thereof:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE (TOGETHER, THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SECURITIES REPRESENTED HEREBY MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN OPINION OF COUNSEL, REASONABLY ACCEPTABLE TO COUNSEL FOR BENTLEY SYSTEMS, INCORPORATED, TO THE EFFECT THAT THE PROPOSED SALE, ASSIGNMENT, TRANSFER, OR DISPOSITION MAY BE EFFECTUATED WITHOUT REGISTRATION UNDER THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER. THE SECURITIES ARE SUBJECT TO THE RESTRICTIONS ON THEIR TRANSFER SET FORTH IN A SECURITIES PURCHASE AGREEMENT DATED DECEMBER 26, 2000.

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a certificate issued upon completion of a distribution under a registration statement covering the securities represented) shall also bear such legend unless, in the opinion of counsel to the Company, the securities represented thereby may be transferred as contemplated by such holder without violation of the registration requirements of the Act.

(b) Any person in possession of this Warrant properly endorsed is authorized to represent itself as absolute owner hereof and is granted power to transfer absolute title hereto by endorsement and delivery hereof to a bona fide purchaser hereof for value; each prior taker or owner waives and renounces all of its equities or rights in this Warrant in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire title hereto and to all rights represented hereby.

(c) Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder of this Warrant as the absolute owner hereof for all purposes without being affected by any notice to the contrary.

(d) Prior to the exercise of this Warrant, the holder hereof shall not be entitled to any rights of a shareholder of the Company with respect to shares for which this Warrant shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein or in the Agreement.

(e) The Company shall not be required to pay any Federal or state transfer tax or charge that may be payable in respect of any transfer involved in the transfer or delivery of this Warrant or the issuance or delivery of certificates for Warrant Shares in a name other than that of the registered holder of this Warrant or to issue or deliver any certificates for Warrant Shares upon the exercise of this Warrant until any and all such taxes and charges shall have been paid by the holder of this Warrant or until it has been established to the Company's satisfaction that no such tax or charge is due.

8. SUBDIVISION OF RIGHTS. This Warrant (as well as any new warrants issued pursuant to the provisions of this paragraph) is exchangeable, upon the surrender hereof by the holder hereof, at the principal office of the Company for any number of new warrants of like tenor and date representing in the aggregate the right to subscribe for and purchase the number of Warrant Shares of the Company that may be subscribed for and purchased hereunder.

9. SPECIFIC PERFORMANCE. The holders of this Warrant and/or the Warrant Shares shall have the right to specific performance by the Company of the provisions of this Warrant. The Company hereby irrevocably waives, to the extent that it may do so under applicable law, any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against the Company for specific performance of this Warrant by the holders of this Warrant and/or the Warrant Shares.

10. NOTICES. (a) All notices and other communications from the Company to the holder of this Warrant shall be mailed by first-class certified mail, postage prepaid, to the address furnished to the Company in writing by the last holder of this Warrant who shall have furnished an address to the Company in writing.

(b) In the event:

(1) the Company shall authorize issuance to all holders of Common Stock of rights or warrants to subscribe for or purchase capital stock of the Company or of any other subscription rights or warrants;

(2) the Company shall authorize any dividend or other distribution payable in evidences of its indebtedness, cash or assets;

(3) of any Liquidity Event or consolidation or merger or change of control to which the Company is a party, or of the conveyance or transfer of the properties and assets of the Company substantially as an entirety, or of any capital reorganization or reclassification or change of the Common Stock;

(4) of the voluntary or involuntary dissolution, liquidation or winding up to the Company;

(5) of the consummation of an IPO; and

(6) the Company proposes to take any other action which would require an adjustment of the Purchase Price or number of Warrant Shares issuable upon exercise pursuant to Section 2.2;

then the Company shall cause to be given to the registered holders of this Warrant at its address appearing on the Warrant Register, at least 10 days prior to the applicable record date hereinafter specified (or as expeditiously as possible after the occurrence of any involuntary dissolution, liquidation or winding up referred to in clause (4) above), a written notice in accordance with Section 10(a) stating (i) the date as of which the holders of record of Common

Stock to be entitled to receive any such rights, warrants or distribution are to be determined, (ii) the date on which any such Liquidity Event, consolidation, merger, change of control, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective (or has become effective, in the case of any involuntary dissolution, liquidation or winding up), or (iii) the date on which the consummation of such IPO is expected to occur, and the date as of which it is expected that holders of record of Common Stock shall be entitled to exchange their shares for securities or other property, if any, deliverable upon such reclassification, Liquidity Event, consolidation, merger, change of control, conveyance, transfer, dissolution, liquidation or winding up. The failure to give the notice required by this Section 10(b) or any defect therein shall not affect the legality or validity of any distribution, right, warrant, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any action.

11. HEADINGS. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect the meaning hereof.

12. CHANGE; WAIVER. Neither this Warrant nor any term hereof may be changed, waived, discharged or terminated orally but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

13. GOVERNING LAW. This Warrant shall be construed and enforced in accordance with the laws of the State of Delaware.

1N WITNESS WHEREOF, the Company, by the undersigned thereunto duly authorized, has duly executed this Common Stock Purchase Warrant as of the date first written above.

BENTLEY SYSTEMS, INCORPORATED

By:_____
Name:
Title:

Dated: [_____]

Attest:

_____

ACCEPTED AS OF THE DATE HEREOF:

_____
[_____]

[To be signed only upon exercise or net issue exercise of Warrant]

To_____:

The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, _____ shares of Common Stock of _____ and herewith makes payment of $_____ therefor, and requests that the certificates for such shares be issued in the name of, and be delivered to _____, whose address is _____.

The undersigned, the holder of the within Warrant, hereby irrevocably elects to receive that number of shares of Common Stock equal to _____ percent of the total number of shares issuable upon exercise hereof by surrendering the Warrant, and requests that the certificates for such shares be issued in the name of, and be delivered to _____, whose address is _____.

Dated: _____

_____

By_____

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

_____

_____

[To be signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the within Warrant to purchase the _____ shares of the Common Stock of _____to which the within Warrant relates, and appoints _____ attorney to transfer said right on the books of _____ _____ with full power of substitution in the premises.

Dated:

_____

By_____
(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

_____

_____

In the presence of

_____
Signature Guarantee

Schedule I

A. Purchase Price

1. IPO. If the Warrant is exercised upon the consummation of an IPO, the "Exercise Price per Share" shall be the initial offering per share price to the public of the equity security sold in the IPO discounted as set forth in A.4. below.

2. Liquidity Event. If the Warrant is exercised upon the consummation of a Liquidity Event, the "Exercise Price per Share" shall be the per share consideration paid to stockholders of the Company in the Liquidity Event discounted as set forth in A.4. below. If such per share consideration includes non-cash consideration, the per share value of such non-cash consideration shall be calculated (i) for non-cash consideration consisting of shares of publicly traded securities, based upon the closing price per share of such securities on the date of such consummation or (ii) for other non-cash consideration, in the same manner that the Fair Market Value of shares is calculated in B. below.

3. Other Events. If the Warrant is exercised or redeemed other than upon the consummation of an IPO or a Liquidity Event, the "Exercise Price per Share" shall be the fair market value of a share of Common Stock (the "Fair Market Value") (as calculated in B. below) discounted as set forth in A.4. below.

4. Discount. The applicable discount to the Exercise Price per Share shall be as follows:

Year	Discount to Exercise Price per Share*
On or prior to first year anniversary of Closing Date	Not applicable
After the first year anniversary and on or prior to second year anniversary of Closing Date	10%
After the second year anniversary and on or prior to third year anniversary of Closing Date	20%
After the third year anniversary and on or prior to fourth year anniversary of Closing Date	30%
After the fourth year anniversary and on or prior to fifth year anniversary of Closing Date	40%

Year	Discount to Exercise Price per Share*
After the fifth year anniversary and on or prior to sixth year anniversary of Closing Date	50%
After the sixth year anniversary of Closing Date	50%

* There will be no discount to the Exercise Price Per Share at any time in the first year after the Closing Date. The Exercise Price per Share related to an exercise in any year thereafter shall be discounted as set forth above, but with the incremental amount of the discount over the preceding anniversary period reduced by the number of days remaining in the applicable anniversary period. For example purposes only, the discount to the Exercise Price per Share on the 182nd day of the second anniversary period after the Closing Date would be 5%, and the discount to the Exercise Price per Share on the 182nd day of the fourth anniversary period after the Closing Date would be 25%.

B. Fair Market Value

The Fair Market Value of shares of Common Stock shall be determined by a disinterested independent qualified appraiser (the "Appraiser") selected by the holder and the Company. If the holder and the Company are able to agree upon an Appraiser, such Appraiser shall be instructed to prepare a written valuation or appraisal (the "Appraisal") within thirty (30) days after its selection, with the expenses of the first valuation in any given 12 month period to be borne by the Company and, thereafter, to be borne equally by the Company and the holder. If the holder and the Company are not able to agree upon the selection of an Appraiser within a five (5) day period after the occurrence of the event giving rise to the valuation, each of the holder and the Company will, within five (5) days after the end of such five (5) day period, select an Appraiser to determine the Fair Market Value of the Common Stock. If either the holder or the Company fails to select an Appraiser within such five (5) days, the Appraiser selected by the other party shall determine the Fair Market Value of the Common Stock. Each of the Appraisers so selected will be instructed to furnish both the holder and the Company with a written appraisal within thirty (30) days of its selection, with the expense of each appraisal to be borne by the party selecting the Appraiser. If the higher of the appraisals is not more than 110% of the lower appraisal, then the Fair Market Value of the Common Stock will be the arithmetic average of the appraisals. If the higher of the appraisals is greater than 110% of the lower appraisal, the Appraisers shall, within ten days after the issuance of their respective reports, select a third Appraiser to determine the Fair Market Value. The third Appraiser shall furnish a written appraisal within thirty (30) days of its selection, with the expense thereof to be borne equally by the holder and the Company. The third appraisal shall be arithmetically averaged with the previous appraisals, and the appraisal furthest from the average of the three appraisals will be disregarded. The arithmetic average of the remaining two appraisals will be the Fair Market Value of the Common Stock.

Each Appraiser engaged to provide an appraisal hereunder will be instructed to (i) include therein a statement of the criteria applied and assumptions made to determine the Fair Market Value of the Common Stock; (ii) arrive at a single calculation of such fair market value rather than alternative calculations or a range of calculations; and (iii) not attribute a premium or discount based on the fact that (1) the Common Stock being valued constitutes a majority or less than a majority of the total issued and outstanding shares of capital stock of the Company, (2) there is no liquid market for the sale and purchase of the Common Stock and (3) the Common Stock is non-voting. Any appraisal not complying with the foregoing shall not constitute an appraisal for the purpose hereof.

The failure of an Appraiser to complete an appraisal within thirty (30) days as instructed shall not affect the validity of such Appraiser's appraisal.

"Warrant Fair Market Value" means the applicable discount percentage (as set forth in A. above) times the Fair Market Value of the Warrant Shares calculated.

SCHEDULE OF COMMON STOCK PURCHASE WARRANTS

The following schedule sets forth the holders of Common Stock Purchase Warrants, the date on which the Common Stock Purchase Warrants were issued, and the shares of Class B non-voting common stock underlying each Warrant.

Name:	Date Issued	Shares of Common Stock underlying Warrants
Gregory S. Bentley	12/26/00	381,333.35
Barry J. Bentley	12/26/00	69,333.33
Keith A. Bentley	12/26/00	69,333.33
Cristobal Conde	12/26/00	173,333.33
David Ehret	12/26/00	173,333.33
Robert Greifeld	12/26/00	173,333.33
Argosy Investment Partners II, L.P.	07/02/01	346,666.67
Malcolm S. Walter	07/02/01	13,866.67
Gabriel Norona	09/18/01	285,293
Francisco Norona	09/18/01	53,176
Richard D. Bowman	09/18/01	48,181
Andrew Panayotoff	09/18/01	38,416
Orestes Norat	09/18/01	38,416
Robert Cormack	09/18/01	21,851
Gabriel Norona	09/18/01	34,666.67
Francisco Norona	09/18/01	34,666.67

Exhibit 10.16

WARRANT PURCHASE AGREEMENT

This Warrant Purchase Agreement (this "AGREEMENT") is executed this 26th day of December, 2000 by Bentley Systems, Incorporated, a Delaware corporation (the "COMPANY"), in favor of [_____] (the "BANK"), in accordance with the terms of that certain Revolving Credit and Security Agreement as of even date herewith among the Company and certain of its subsidiaries, as Borrowers, PNC Bank, National Association, as Agent, the Bank and certain other financial institutions, as Lenders (as amended, modified or replaced from time to time, the "LOAN AGREEMENT"). In consideration of the extension of credit by the Bank to the Company under the Loan Agreement, the Company has agreed to issue to the Bank [_____] warrants (each, a "WARRANT") to purchase one fully paid and nonassessable share of the Class B non-voting common stock of the Company, par value $0.01 per share (the "COMMON STOCK"). The shares of Common Stock purchasable upon exercise of the Warrants and the purchase price per Warrant are referred to herein as the "WARRANT SHARES" and the "EXERCISE PRICE," respectively.

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and the Bank agree as follows:

1. GRANT OF WARRANTS. The Company hereby grants to the Bank [_____] Warrants. Each Warrant initially shall be exercisable for one share of Common Stock. The Bank and any subsequent registered holder of a Warrant (each, a "Holder") shall have the rights and obligations set forth in this Agreement and in the warrant certificate evidencing such Warrant, which shall be substantially in the form attached hereto as Exhibit A (a "Warrant Certificate").

2. WARRANT CERTIFICATE.

(a) Form of Warrant Certificate. Each Warrant shall be evidenced by a Warrant Certificate. Each Warrant Certificate shall have such marks of identification or designation and such legends or endorsements thereon as the Company deems appropriate, so long as they are not inconsistent with the provisions of this Agreement, or as are required to comply with any applicable law, rule or regulation or with any rule or regulation of any stock exchange on which the Warrants or the Common Stock may from time to time be listed. Each Warrant Certificate shall entitle the Holder thereof to exercise such number of Warrants as shall be set forth thereon at the Exercise Price in effect on the date such Warrant Certificate is delivered by the Company to such Holder; provided, that the number of Warrants and the Exercise Price shall be subject to adjustment as provided herein. Each Warrant Certificate shall provide for a "net issuance option," which will allow the Holder thereof to surrender some of the Warrants evidenced thereby for cancellation and receive in exchange for other Warrants evidenced thereby shares of Common Stock, without the payment of any cash, on the basis of a formula set forth in such Warrant Certificate.

(b) Signature and Registration.

(i) The Warrant Certificates shall be manually executed on behalf of the Company by its Chairman of the Board, its President or any Vice President and shall be manually attested by the Secretary or an Assistant Secretary of the Company.

(ii) The Company will keep or cause to be kept at its principal office books for the registration and transfer of the Warrant Expiration Date Certificates issued hereunder.

(c) Transfer, Split-Up, Combination and Exchange of Warrant Certificates. Subject to compliance with all applicable laws and the provisions of this Agreement, at any time prior to the close of business on the date (the "Final Expiration Date") that is earlier of (i) December 26, 2010, (ii) if Bank does not renew its obligations under the Loan Agreement, ninety (90) days after Bank provides such nonrenewal notice to Bentley, and (iii) two (2) years after the consummation of an initial public offering by the Company conducted under and in accordance with the Securities Act of 1933 and the rules and regulations of the Securities and Exchange Commission and all other federal and state securities laws (as amended, the "1933 Act") (a "Qualified IPO"), any Warrant Certificate or Warrant Certificates may be transferred, split up, combined or exchanged for another Warrant Certificate or Warrant Certificates, entitling the Holder or Holders thereof to exercise the same number of Warrants as the Warrant Certificate or Warrant Certificates surrendered to the Company by the Holder thereof then entitled such Holder to exercise. Any Holder desiring to transfer, split up, combine or exchange any Warrant Certificate or Warrant Certificates shall make such request in writing delivered to the Company, and shall surrender the Warrant Certificate or Warrant Certificates to be transferred, split up, combined or exchanged, at the principal office of the Company. Thereupon the Company shall deliver to the person or persons entitled thereto a Warrant Certificate or Warrant Certificates, as the case may be, as so requested.

(d) Subsequent Issuance of Warrant Certificates. Subsequent to their original issuance, no Warrant Certificates shall be issued except (i) Warrant Certificates issued upon any transfer, combination, split up or exchange of Warrant Certificates pursuant to Section 2(c), (ii) Warrant Certificates issued in replacement of mutilated, destroyed, lost or stolen Warrant Certificates, and (iii) any Warrant Certificate issued pursuant to Section 3(d) upon the partial exercise of any Warrant Certificate to evidence the unexercised portion of such Warrant Certificate.

3. EXERCISE OF WARRANTS; EXERCISE PRICE.

(a) The Holder of any Warrant Certificate may exercise, upon and after the consummation of a Qualified IPO or upon and after the occurrence of a Change of Control, the Warrants evidenced thereby in whole or in part by surrendering such Warrant Certificate, with the form of election to exercise attached thereto duly completed and executed, to the Company at its principal office, together, to the extent necessary, with payment of the aggregate Exercise Price for the Warrants being exercised, at or prior to the close of business on the Final Expiration Date.

(b) The Exercise Price for each Warrant shall initially be $10.17. The Exercise Price shall be subject to adjustment from time to time as provided in Section 6 and shall be payable in accordance with Section 3(c).

(c) Upon receipt of a Warrant Certificate, with the form of election to exercise duly completed and executed, accompanied by payment of the aggregate Exercise Price for the Warrants being exercised, except to the extent that the Holder thereof has determined to use the net issuance option, and an amount equal to any applicable transfer taxes required to be paid by such Holder in accordance with Section 5(c) in cash or by certified check or cashier's check payable to the order of the Company, the Company shall promptly: (1) requisition from any transfer agent of the Common Stock or otherwise obtain certificates for the number of shares of Common Stock being purchased; (ii) when appropriate, prepare or cause to be prepared a check for the amount of cash to be paid in lieu of the issuance of a fractional share in accordance with Section 7; (iii) after receipt of such certificates, cause the same to be delivered to or upon the order of such Holder, registered in such name or names as designated by such Holder; and (iv) when appropriate, deliver such check to or upon the order of such Holder. The Company hereby irrevocably authorizes each transfer agent of the Common Stock to comply with all such requests from the Company in accordance with this Section 3 (c).

(d) If the Holder of any Warrant Certificate shall exercise less than all the Warrants evidenced thereby, a new Warrant Certificate evidencing a number of Warrants equal to the number of Warrants remaining unexercised shall be issued by the Company to such Holder or to its duly authorized assigns, subject to the provisions of Section 7.

4. CANCELLATION OF WARRANT CERTIFICATES. All Warrant Certificates surrendered to the Company for exercise, transfer, split up, combination or exchange shall be canceled by it, and no Warrant Certificates shall be issued in lieu thereof except as expressly permitted by the provisions of this Agreement.

5. RESERVATION AND AVAILABILITY OF COMMON STOCK; TAXES.

(a) The Company shall, at all times, reserve and keep available out of its authorized and unissued shares of Common Stock or out of any shares of Common Stock held in its treasury that number of shares of Common Stock that will from time to time be sufficient to permit the exercise in full of all outstanding Warrants.

(b) The Company shall take all such action as may be necessary to ensure that all shares of Common Stock delivered upon the exercise of any Warrants shall, at the time of delivery of the certificates for such shares of Common Stock, be duly authorized, validly issued, fully paid and nonassessable.

(c) The Company shall pay when due and payable any and all federal and state transfer taxes and charges (other than any applicable income taxes) that may be payable in respect of the issuance or delivery of Warrant Certificates or of certificates for shares of Common Stock receivable upon the exercise of any Warrants; provided, however, that the Company shall not be required to pay any tax that may be payable in respect of the issuance and

delivery of any Warrant Certificate or stock certificate registered in a name other than that of the Holder of the Warrant Certificate that has been surrendered.

6. ADJUSTMENTS.

(a) General. The Exercise Price, the number of outstanding Warrants and the number and kind of stock or other securities or property purchasable upon exercise of a Warrant shall be subject to adjustment from time to time pursuant to the terms of this Section 6.

(b) Dilutive Issuances.

(i) Special Definitions. For purposes of this Section 6, the following definitions shall apply:

(A) "Additional Shares of Common Stock" shall mean all shares of Common Stock issued (or, pursuant to Section 6(b)(iii), deemed to be issued) by the Company after the Original Issue Date, other than shares of Common Stock issued or issuable:

(I) upon conversion or exchange of any Convertible Securities outstanding on the Original Issue Date;

(II) upon exercise of any Options outstanding on the Original Issue Date;

(III) as a dividend or distribution pro rata on the outstanding shares of Common Stock;

(IV) as a result of any stock split, combination, reclassification, exchange or substitution for which an adjustment is provided in Section 6(c), (d) or (e);

(V) upon exercise of any Warrants; or

(VI) to employees, officers or directors of, or consultants or advisors to, the Company or any subsidiary of the Company pursuant to a stock grant, stock option plan, employee stock purchase plan, restricted stock plan or any other similar plan or agreement, which grant, plan or agreement was approved by the Board of Directors of the Company (the "Board") prior to its implementation.

(B) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for shares of Common Stock.

(C) "Option" shall mean any right, option or warrant to subscribe for, purchase or otherwise acquire shares of Common Stock or Convertible Securities,

excluding rights, options or warrants described in clause (V) or (VI) of Section 6(b)(i)(A).

(D) "Original Issue Date" shall mean the date of this Agreement.

(ii) No Adjustment in Certain Circumstances. No adjustment to the Exercise Price or the number of Warrants shall be made pursuant to this Section 6(b) unless the consideration per share (determined pursuant to Section 6(b)(v)) for an Additional Share of Common Stock issued or deemed to be issued by the Company is less than the fair market value on the date of, and immediately prior to, the issuance or deemed issuance of such Additional Share of Common Stock.

(iii) Issuance of Securities Deemed to be an Issuance of Additional Shares of Common Stock. If at any time after the Original Issue Date the Company issues any Options or Convertible Securities or fixes a record date for the determination of holders of any class of securities entitled to receive any Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision thereof that permits or requires a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities shall be deemed to be Additional Shares of Common Stock issued as of the time of such issuance or, in case a record date has been fixed, as of the close of business on such record date. In any case in which Additional Shares' of Common Stock are deemed to have been issued in accordance with the preceding sentence:

(A) No further adjustment in the Exercise Price shall be made solely on account of the subsequent issuance of Convertible Securities or shares of Common Stock upon the exercise of any such Options or upon the conversion or exchange of any such Convertible Securities (including Convertible Securities issued upon exercise of Options);

(B) If any such Options or Convertible Securities by their terms provide for any change in the terms or kind of consideration payable to the Company upon the exercise, conversion or exchange thereof, whether on account of the passage of time or for any other reason, then the Exercise Price computed based upon the original issuance thereof (or upon the occurrence of a record date with respect thereto) and as subsequently adjusted for other reasons shall, upon any such change becoming effective, be recomputed based on the number of such Options or Convertible Securities then outstanding to reflect such change;

(C) If the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Options or Convertible Securities changes, including, but not limited to, any change resulting from the operation of the anti-dilution provisions thereof, then the Exercise Price computed based upon the original issuance thereof (or upon the occurrence of a record date with respect thereto) and as subsequently adjusted for other reasons shall, upon any such

change becoming effective, be recomputed based on the number of such Options or Convertible Securities then outstanding to reflect such change;

(D) If any such Options or the conversion or exchange privileges represented by any such Convertible Securities expire or terminate not having been exercised, then the Exercise Price computed based upon the original issuance thereof (or upon the occurrence of a record date with respect thereto) and as subsequently adjusted for other reasons shall, upon any such expiration or termination becoming effective, be recomputed based on the number of such Options or Convertible Securities then outstanding to reflect such expiration or termination; and

(E) No readjustment pursuant to Clause (B), (C) or (D) above shall have the effect of increasing the Exercise Price to an amount that exceeds the lower of (x) the Exercise Price on the original adjustment date prior to the original adjustment thereof on account of such deemed issuance or (y) the Exercise Price that would have resulted from any other issuances or deemed issuances of Additional Shares of Common Stock between such original adjustment date and any such readjustment date without taking into account such original adjustment.

In the event that the Company, after the Original Issue Date, amends the terms of any Options or Convertible Securities (whether such Options or Convertible Securities were outstanding on the Original Issue Date or were issued after the Original Issue Date), then such Options or Convertible Securities, as so amended, shall be deemed to have been issued after the Original Issue Date and the provisions of this Section 6(b) shall apply to them as of the date of such amendment.

(iv) Adjustment of Exercise Price Upon Issuance of Additional Shares of Common Stock. In the event that the Company, after the Original Issue Date, issues any Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 6(b)(iii)), without consideration or for a consideration per share less than the fair market value on the date of and immediately prior to such issuance, then such Exercise Price shall be reduced, concurrently withsuch issuance, to a price (calculated to the nearest cent) determined by multiplying such Exercise Price by a fraction, (A) the numerator of which shall be (I) the number of shares of Common Stock outstanding immediately prior to such issuance, plus (II) the number of shares of Common Stock that the aggregate consideration received or to be received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such Exercise Price; and (B) the denominator of which shall be (I) the number of shares of Common Stock outstanding immediately prior to such issuance, plus (II) the number of such Additional Shares of Common Stock so issued. For purposes of this Section 6(b)(iv), (x) if a record date is set for the issuance or deemed issuance of any Additional Shares of Common Stock, then the close of business on such record date shall be treated as the time of issuance of such Additional Shares of Common Stock; (y) all shares of Common Stock issuable upon exercise, conversion or exchange of Options or Convertible Securities (including Convertible Securities issuable upon exercise of Options) outstanding immediately prior to such issuance shall be deemed to be

outstanding (other than any shares excludable from the definition of "Additional Shares of Common Stock" in accordance with Section 6(b)(i)(A)M or (VI)); and (z) the number of shares of Common Stock deemed outstanding upon exercise, conversion or exchange of such outstanding Options and Convertible Securities (including Convertible Securities issuable upon exercise of Options) shall be determined without giving effect to any adjustments to the exercise, conversion or exchange prices or ratios of such Options or Convertible Securities resulting from the issuance of the Additional Shares of Common Stock that is the subject of the calculation.

(v) Determination of Consideration. For purposes of this Section 6(b), the consideration received by the Company for the issuance of any Additional Shares of Common Stock shall be computed as follows:

(A) Cash and Property. Such consideration shall:

(I) insofar as it consists of cash, be computed as the aggregate of cash received by the Company, excluding amounts paid or payable for accrued interest or accrued dividends;

(II) insofar as it consists of services or property other than cash, be computed at the fair market value thereof at the time of such issuance, as determined in good faith by the Board; and

(III) in the event that Additional Shares of Common Stock are issued together with other shares or securities or other assets for a combined consideration, be the pro rata portion of such consideration so received, computed as provided in clauses (I) and (II) above, as determined in good faith by the Board.

(B) Options and Convertible Securities. The consideration per share received by the Company for Additional Shares of Common Stock deemed to have been issued pursuant to Section 6(b)(iii), relating to Options and Convertible Securities, shall be determined by dividing

(I) the total amount, if any, received or receivable by the Company as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision thereof that permits or requires a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(II) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision

thereof that permits or requires a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(c) Adjustment for Stock Splits and Combinations. If the Company, at any time or from time to time, after the Original Issue Date effects a subdivision of the outstanding Common Stock, the Exercise Price in effect immediately before that subdivision shall be proportionately decreased. If the Company, at any time or from time to time, after the Original Issue Date combines the outstanding shares of Common Stock, the Exercise Price in effect immediately before the combination shall be proportionately increased. Any adjustment in accordance with this Section 6(c) shall become effective at the close of business on the date that the related subdivision or combination becomes effective.

(d) Adjustment for Reorganization, Reclassification or Substitution. If the shares of Common Stock issuable upon exercise of the Warrants are changed into the same or a different number of shares of any class or classes of stock of the Company or other securities or property of the Company, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above or a stock dividend, merger, consolidation, share exchange or sale of assets provided for below), then, from and after each such event, each Holder of a Warrant shall have the right to exercise such Warrant for the amount and kind of shares of stock and other securities and property receivable upon such reorganization, reclassification or other change by a holder of the number of shares of Common Stock for which such Warrant would have been exercisable immediately prior to such reorganization, reclassification or change, subject to further adjustment as provided herein.

(e) Adjustment for Merger, Consolidation, etc. In case of any merger, consolidation or share exchange of the Company with or into another person, a sale of all or substantially all of the assets of the Company to another person or any other transaction involving the Company and another person having a similar effect (other than a subdivision or combination of shares or reorganization, reclassification or other transaction provided for above or a stock dividend provided for below), then, from and after each such event, each Holder of a Warrant shall have the right to exercise such Warrant for the amount and kind of shares of stock and other securities and property receivable upon such merger, consolidation, share exchange, sale or other transaction by a holder of the number of shares of Common Stock for which such Warrant would have been exercisable immediately prior to such merger, consolidation, share exchange, sale or other transaction, subject to further adjustment as provided herein. In each such case, prior to and as a condition to the consummation of any such transaction, appropriate adjustments (as determined in good faith by the Board) shall be made in the provisions of this Section 6 with respect to the rights and interests of the Holders of the Warrants, to the end that these provisions shall thereafter be applicable, in as equivalent a manner as reasonably can be achieved, in relation to any shares of stock, other securities or property thereafter deliverable upon exercise of the Warrants.

(f) Adjustment for Certain Dividends and Distributions. If the Company, at any time or from time to time, after the Original Issue Date makes or issues, or fixes a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution payable in Additional Shares of Common Stock, then, and in each such event, the Exercise Price in effect from and after the time of such issuance or, in the event such a record date has been fixed, the close of business on such record date shall be equal to the product of the Exercise Price in effect immediately prior to such time multiplied by a fraction:

(i) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date; and

(ii) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, plus the number of shares of Common Stock issued or issuable in payment of such dividend or distribution; provided, however, that if such a record date has been fixed and such dividend is not fully paid or such distribution is not fully made on the date set therefor, then the Exercise Price then in effect shall be appropriately recalculated as of the close of business on such record date.

(g) Adjustments for Other Dividends and Distributions. If the Company, at any time or from time to time, after the Original Issue Date makes or issues, or fixes a record date for the determination of holders of shares of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company or any subsidiary of the Company other than shares of Common Stock, then, and in each such event, appropriate provision shall be made so that each Holder of a Warrant exercised after such issuance or such record date, as the case may be, shall receive, in addition to the shares of Common Stock otherwise receivable upon such exercise, the amount of securities and other property, if any, that would have been received by such Holder had such Warrant been exercised immediately prior to such issuance or the close of business on such record date and the securities received upon such exercise been retained from the date of such issuance or such record date to and including the actual exercise date of such Warrant.

(h) Adjustment in Number of Warrants. When any adjustment is required to be made in the Exercise Price pursuant to this Section 6, then the number of outstanding Warrants shall be simultaneously adjusted to equal the number determined by dividing (1) the product of the number of Warrants outstanding immediately prior to such adjustment multiplied by the Exercise Price in effect immediately prior to such adjustment, by (ii) the Exercise Price in effect immediately after such adjustment.

(i) Certificate as to Adjustment. Upon the occurrence of any event that results or will result in an adjustment of the Exercise Price pursuant to this Section 6, the Company shall promptly compute such adjustment in accordance with the terms of this Section 6 and furnish to each Holder of a Warrant a certificate setting forth such adjustment and the related adjustment in the number of outstanding Warrants and describing in reasonable detail the facts upon which such adjustments are based. The Company shall, upon the written request at any time of any Holder of a Warrant, furnish or cause to be furnished to such Holder a certificate setting forth (i)

all such adjustments since the Original Issue Date, (ii) the Exercise Price then in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property that would then be receivable upon exercise of a Warrant.

7. FRACTIONAL SHARES.

(a) The Company shall not be required to issue fractional shares of Common Stock upon the exercise of any Warrants or to distribute certificates that evidence fractional shares of Common Stock. In lieu of issuing a fractional share of Common Stock, the Company shall pay to the Holder of any Warrants at the time such Warrants are exercised an amount in cash equal to the same fraction of the current market value of one share of Common Stock on the date that such Warrants are exercised.

(b) For purposes hereof, the current market value of a share of Common Stock (or any other security) shall be the closing price per share of Common Stock (or the standard unit for such other security) on the date of determination. Such closing price shall be:

(i) the last sale price, regular way, or, in case no such sale takes place, the average of the closing bid and asked prices on the date of determination, in either.case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange; or

(ii) if the Common Stock (or such other class or series of securities) is not listed or admitted to trading on the New York Stock Exchange, the last sale price, regular way, or, in case no such sale takes place, the average of the closing bid and asked prices on such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the principal national securities exchange on which the Common Stock (or such other class or series of securities) is listed or admitted to trading; or

(iii) if the Common Stock (or such other class or series of securities) is not listed or admitted to trading on any national securities exchange, the last quoted sale price or, if not so quoted, the average of the high bid and low asked prices on such day in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System or such other system then in use by such organization; or

(iv) if the Common Stock (or such other class or series of securities) is not listed or admitted to trading on any national securities exchange and prices therefor are not reported by such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock (or such other class or series of securities) selected by the Board; or

(v) if the Common Stock (or such other class or series of securities) is not so listed or admitted to trading and prices therefor are not so reported or quoted, the fair market value per share (or other appropriate unit) as determined in good faith by the Board, whose determination shall be conclusive and binding on all Holders of Warrants.

8. AGREEMENT OF WARRANT HOLDERS. Every Holder of a Warrant, by accepting the same, acknowledges and agrees with the Company and with every other Holder of a Warrant that:

(a) Each Warrant is transferable only by the transfer of the Warrant Certificate that evidences such Warrant upon the registry books of the Company which shall be accomplished by surrendering such Warrant Certificate for transfer at the Company's principal office, duly endorsed or accompanied by a proper instrument of transfer; and

(b) The Company may deem and treat the person in whose name a Warrant Certificate is registered as the absolute owner thereof and of the Warrants evidenced thereby for all purposes whatsoever, notwithstanding any notations of ownership or writing on such Warrant Certificate made by anyone other than the Company or any other notice to the contrary.

9. RESTRICTIONS ON TRANSFER.

(a) The Warrants and the Warrant Shares or other securities issuable upon exercise of the Warrants may not be sold or otherwise transferred unless either (1) such transaction first shall have been registered under the 1933 Act and any applicable state or other securities law or (ii) the Company first shall have been furnished with an opinion of legal counsel or other evidence, in either case reasonably satisfactory to the Company, to the effect that such transaction is exempt from the registration requirements of the 1933 Act and any applicable state or other securities law.

(b) Each certificate evidencing securities issuable upon exercise of a Warrant shall bear a legend substantially in the following form:

> THE SECURITIES EVIDENCED HEREBY WERE ACQUIRED IN A TRANSACTION THAT WAS NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAW. THE HOLDER HEREOF, BY ACQUIRING THIS INSTRUMENT, AGREES FOR THE BENEFIT OF BENTLEY SYSTEMS, INCORPORATED (THE "COMPANY") THAT THE SECURITIES EVIDENCED HEREBY MAY BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) (1) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (B) PURSUANT TO AN AVAILABLE EXEMPTION OR EFFECTIVE REGISTRATION UNDER ANY APPLICABLE STATE OR OTHER SECURITIES LAW.

Notwithstanding the foregoing, such legend shall not be placed on any such certificate or shall be removed from any such certificate (i) at the request of the holder thereof, if such holder shall be entitled to sell the securities to be evidenced or evidenced thereby in accordance with Rule 144(k) under the 1933 Act, or (ii) if the holder thereof is selling the securities to be evidenced or evidenced thereby in a registered public offering in accordance with Section 8.

10. WARRANT CERTIFICATE HOLDER NOT DEEMED A STOCKHOLDER. No Holder of any Warrant, as such, shall be entitled to vote or receive dividends or shall be deemed for any other purpose the holder of the shares of Common Stock or other securities which may at any time be issuable

upon the exercise of such Warrant. Nothing contained herein or in any Warrant Certificate shall be construed to confer upon the Holder of any Warrant, as such, any of the rights of a stockholder of the Company, including any right to vote for the election of directors or upon any other matter submitted to stockholders of the Company at any meeting thereof, to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders, except as otherwise expressly provided herein or therein or until such Warrant has been exercised in accordance with the provisions hereof and thereof.

11. ISSUANCE OF NEW WARRANT CERTIFICATES. Notwithstanding anything to the contrary set forth herein or in the Warrant Certificates, the Company may, at its option, issue new Warrant Certificates evidencing the Warrants, in such form as may be approved by the Board, to reflect any adjustment or change in the Exercise Price and the number or kind of stock or other securities or property purchasable upon exercise of the Warrants.

12. CAPITALIZED TERMS. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

13. SUCCESSORS AND ASSIGNS. The terms of this Agreement shall be binding upon the Company and the Bank and their respective permitted successors and assigns.

14. INTEGRATION. This Agreement and the Warrant Certificates represent the entire agreement of the Company and the Bank with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by either relative to the subject matter hereof and thereof not expressly set forth or referred to herein or in the Warrant Certificates.

15. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL. THIS AGREEMENT AND ALL RELATED INSTRUMENTS AND AGREEMENTS SHALL BE DEEMED TO BE CONTRACTS MADE AND TO BE PERFORMED ENTIRELY IN THE COMMONWEALTH OF PENNSYLVANIA, AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNYSLVANIA (WITHOUT GIVING EFFECT TO ANY PROVISIONS THEREOF CONCERNING CHOICE OF LAW) AND THE UNITED STATES OF AMERICA. THE FEDERAL COURTS AND COURTS OF PENNSYLVANIA LOCATED IN ALLEGHENY COUNTY, PENNSYLVANIA SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY PROCEEDINGS IN CONNECTION HEREWITH AND THEREWITH. EACH OF THE BANK AND THE COMPANY HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE (WHETHER A CLAIM IN TORT, CONTRACT, EQUITY OR OTHERWISE) ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY RELATED MATTERS, AND ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS the due execution of this Agreement as of the date first above written.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Name: David Nation

Title: Senior Vice President

[----------]

By:

[----------]

Schedule of Warrant Purchase Agreements

The following schedule identifies the individuals that are a party to a Warrant Purchase Agreement and the shares of Class B non-voting common stock underlying Warrants granted pursuant to such Warrant Purchase Agreement.

Name :	Shares of Common Stock underlying Warrants
PNC Bank, N.A.	640,844
Citicorp USA, Inc.	347,446

THE WARRANTS EVIDENCED HEREBY WERE ISSUED IN A TRANSACTION THAT WAS NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAW. THE HOLDER HEREOF, BY ACQUIRING THIS INSTRUMENT, AGREES FOR THE BENEFIT OF BENTLEY SYSTEMS, INCORPORATED (THE "COMPANY") THAT THE WARRANTS EVIDENCED HEREBY MAY BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) (1) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT; AND (B) PURSUANT TO AN AVAILABLE EXEMPTION OR EFFECTIVE REGISTRATION UNDER ANY APPLICABLE STATE OR OTHER SECURITIES LAW.

THE WARRANTS EVIDENCED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE THEREOF ARE SUBJECT TO A WARRANT PURCHASE AGREEMENT DATED DECEMBER 26, 2000 BETWEEN THE COMPANY AND [_____] (AS THE SAME MAY BE SUPPLEMENTED, MODIFIED, AMENDED OR RESTATED FROM TIME TO TIME, THE "WARRANT AGREEMENT"). A COPY OF THE WARRANT AGREEMENT IS AVAILABLE FOR REVIEW AT THE PRINCIPAL OFFICE OF THE COMPANY.

COMMON STOCK PURCHASE WARRANTS

DATE OF ISSUANCE: DECEMBER 26, 2000

Capitalized terms used and not otherwise defined in this instrument shall have the meanings assigned to them in the Warrant Agreement. The Company certifies that [_____] is the Holder of [_____] warrants (the "WARRANTS") to purchase fully paid and nonassessable shares of the Class B common stock of the Company, par value $0.01 per share (the "COMMON STOCK"), upon the terms and subject to the provisions of the Warrant Agreement and this instrument (the "WARRANT CERTIFICATE"). The Exercise Price shall initially be $10.17 and each Warrant shall be exercisable for one share of Common Stock. The Exercise Price and the number of Warrants evidenced hereby shall be subject to adjustment as provided in the Warrant Agreement. The Warrants evidenced hereby shall be exercisable at any time and from time to time pursuant to the terms and conditions hereof until the close of business on the Final Expiration Date.

1. Exercise of Warrants.

1.1 Each Warrant evidenced hereby may be exercised, upon and after the consummation of a Qualified IPO or upon and after the occurrence of a Change of Control, by the Holder of this Warrant Certificate at any time by surrender hereof to the Company, together with the Exercise Form, in the form attached hereto as Annex 1 (the "EXERCISE FORM"), duly completed and executed and payment of an amount equal to the Exercise Price multiplied by the number of Warrants being exercised. At the option of the Holder hereof, payment of the

Exercise Price may be made by either (i) cash, (ii) a certified or cashier's check payable to the order of the Company, or (iii) exercise of the net issuance option pursuant to Section 1.4. Upon the Company's receipt of this Warrant Certificate, the duly completed and executed Exercise Form and the requisite payment, the Company shall issue and deliver (or cause to be delivered) stock certificates representing the aggregate number of shares of Common Stock being purchased. In the event that less than all of the Warrants evidenced hereby are being exercised, the Company shall issue and deliver (or cause to be delivered) a new Warrant Certificate or Certificates at the same time such stock certificates are delivered. That new Warrant Certificate or those new Warrant Certificates shall entitle the persons in whose names they are registered to exercise in the aggregate the number of Warrants not exercised in that partial exercise and shall otherwise have the same terms and provisions as this Warrant Certificate.

1.2 In the event that the Holder of this Warrant Certificate desires that any or all of the stock certificates to be issued upon the exercise of any Warrants evidenced hereby be registered in a name or names other than that of such Holder, such Holder must so request in writing at the time of exercise. In addition, such Holder must remit to the Company funds sufficient to pay all transfer taxes (if any) payable in connection with such delivery of such stock certificates or prove, to the reasonable satisfaction of the Company, that no such taxes are payable in connection with such transaction.

1.3 Upon due exercise by the Holder hereof of any Warrants evidenced hereby, whether in whole or in part, such Holder (or any other person to whom a stock certificate hereby, to be issued) shall be deemed for all purposes to have become the holder of record of the shares of Common Stock for which those Warrants have been so exercised effective immediately prior to the close of business on the day this Warrant Certificate, the duly completed and executed Exercise Form and the requisite payment are duly delivered to the Company, irrespective of the date of actual delivery of the stock certificates representing such shares of Common Stock.

1.4 Notwithstanding anything to the contrary set forth herein, if the current market value of a share of Common Stock (determined in accordance with Section 7(b) of the Warrant Agreement) is greater than the Exercise Price on the Date of Determination, in lieu of exercising Warrants evidenced hereby for cash, the Holder hereof may elect to receive shares of Common Stock equal to the value (determined in the manner set forth below) of a designated number of such Warrants by surrender of this Warrant Certificate at the principal office of the Company together with a duly completed and executed Exercise Form. The "DATE OF DETERMINATION" is the business day immediately preceding the day on which this Warrant Certificate is being delivered to the Company pursuant to this Section 1. In such event, the Company shall issue to the Holder hereof a number of shares of Common Stock computed using the following formula:

$$Y = \frac{X\,(A-B)}{A}$$

Where:

A = the current market value of a share of Common Stock on the Date of Determination;

B = the Exercise Price as of the close of business on the Date of Determination;

X = the number of shares of Common Stock purchasable upon exercise of the Warrants being cancelled if such Warrants were being exercised instead of being cancelled; and

Y = the number of shares of Common Stock to be issued to such Holder.

2. Surrender of Warrants, Expenses.

2.1 Whether in connection with the exercise, transfer, split-up, combination, exchange or replacement of this Warrant Certificate or any Warrants evidenced hereby, surrender of this Warrant Certificate shall be made to the Company during normal business hours on a business day (unless the Company otherwise permits) at the principal office of the Company located at 685 Stockton Drive, Exton, Pennsylvania 19431 or to such other office or to any duly authorized representative of the Company as from time to time may be designated by the Company by written notice given to the Holders of the Warrants.

2.2 The Company shall pay all costs and expenses incurred in connection with the exercise, transfer, split-up, combination, exchange or replacement of this Warrant Certificate or any Warrants evidenced hereby, including the costs of preparation, execution and delivery of Warrant Certificates and stock certificates, and shall pay all taxes (other than any taxes measured by the income of any person other than the Company) and other charges imposed by law payable in connection with the transfer, split-up, combination, exchange or replacement of this Warrant Certificate or any Warrants evidenced hereby except as otherwise provided in Section 5(c) of the Warrant Agreement.

3. Warrant Register Exchange; Transfer; Loss.

3.1 The Company shall, at all times, maintain at its principal office referenced above an open register for the Warrants, in which the Company shall record the name and address of each Holder to whom Warrants have been issued or transferred.

3.2 Subject to applicable law and the provisions of the Warrant Agreement, this Warrant Certificate may be exchanged for two or more Warrant Certificates entitling the Holder hereof to exercise the same aggregate number of Warrants at the same Exercise Price and otherwise having the same terms and provisions as this Warrant Certificate. The Holder hereof may request such an exchange by surrendering this Warrant Certificate to the Company, together with a written request specifying the desired number of Warrant Certificates and the allocation among them of the Warrants evidenced hereby.

3.3 Subject to applicable law and the provisions of the Warrant Agreement, this Warrant Certificate and the Warrants evidenced hereby may be transferred, in whole or in part, by the Holder hereof. A transfer shall be effected by surrendering this Warrant Certificate to the Company, together with an Assignment Form, in the form attached hereto as Annex 2 (the "ASSIGNMENT FORM"), duly completed and executed. Within five (5) Business Days after the Company's receipt of this Warrant Certificate and the Assignment Form so completed and

executed, the Company shall issue and deliver to each transferee a new Warrant Certificate evidencing the number of Warrants being transferred to such person and otherwise having the same Exercise Price and other terms and provisions of this Warrant Certificate, which the Company will register in such new Holder's name. To the extent applicable, the Company shall issue to the Holder hereof a new Warrant Certificate evidencing the Warrants not being transferred to any person and otherwise having the same Exercise Price and other terms and provisions of this Warrant Certificate.

3.4 In the event of the loss, theft or destruction of this Warrant Certificate, the Company shall execute and deliver an identical Warrant Certificate to the Holder hereof in substitution herefor upon the Company's receipt of (i) evidence reasonably satisfactory to the Company of such event (with the affidavit of an institutional Holder being such sufficient evidence), and (ii) if requested by the Company, an indemnity agreement from any institutional Holder or an indemnity bond from any other Holder reasonably satisfactory in form and amount to the Company.

4. Rights and Obligations of the Company and the Warrant Holder.

4.1 The Company and the Holder of this Warrant Certificate are entitled to the rights and bound by the obligations set forth in the Warrant Agreement, all of which rights and obligations are hereby incorporated by reference herein. This Warrant Certificate shall not entitle its Holder to any rights as a stockholder of the Company (other than as set forth in Section 1.3).

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be executed by its duly authorized representative and attested to by its Secretary or an Assistant Secretary.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation

Title: Senior Vice President

Annex 1

EXERCISE FORM

The undersigned Holder hereby irrevocably elects to exercise _____ Warrants to purchase fully paid and nonassessable shares of the common stock, [no] par value [$__] per share, of Bentley Systems, Incorporated (the "Company") and/or such other securities or property as are purchasable upon exercise of such Warrants, and hereby tenders payment for such shares and/or other securities or property by:

(i) enclosing cash and/or a certified or cashier's check payable to the order of the Company in the aggregate amount of $_____; and/or

(ii) hereby authorizing the cancellation of _____ Warrants.

Instructions for registering the securities on the stock transfer books of the Company:

Name of Holder:_____

State of Organization (if applicable):_____

Federal Tax Identification or
Social Security Number:_____

Address:_____

_____

If this exercise of Warrants evidenced by the attached Warrant Certificate is not an exercise in full thereof, then the undersigned Holder hereby requests that a new Warrant Certificate of like tenor (exercisable for the balance of the Warrants evidenced by the attached Warrant Certificate) be issued in the name of and delivered to the undersigned Holder at the address on the Warrant register of the Company.

Dated:_____ _____
(Name of Holder - Please Print)

By:_____
(Signature of Holder or
of Duly Authorized Signatory)

Title:_____

Annex 2

ASSIGNMENT FORM

For value received, the undersigned Holder hereby sells, assigns and transfers to the person whose name and address are set forth below all of the rights of the undersigned Holder with respect to __ Warrants evidenced by the attached Warrant Certificate.

Name of Transferee:_____

State of Organization (if applicable):_____

Federal Tax Identification or
Social Security Number:_____

Address:_____

_____

If this transfer is not a transfer of all the Warrants evidenced by the attached Warrant Certificate, then the undersigned Holder hereby requests that a new Warrant Certificate of like tenor evidencing the Warrants not being transferred pursuant hereto be issued in the name of and delivered to the undersigned Holder at the address on the Warrant register of_____ .

The undersigned Holder hereby irrevocably constitutes and appoints_____ as his/her/its attorney to register the foregoing transfer on the books of_____ maintained for that purpose, with full power of substitution in the premises.

Dated:_____ _____

(Name of Holder - Please Print)

By:_____
(Signature of Holder or
of Duly Authorized Signatory)

Title:_____

Common Stock Purchase Warrants granted to banks

The following schedule sets forth the holders of Common Stock Purchase Warrants granted to banks in consideration of their extension of credit to Bentley Systems, Incorporated and the shares of Class B non-voting common stock underlying each Warrant.

Name :	Shares of Common Stock underlying Warrants
PNC Bank, National Association	640,844
Citicorp USA, Inc.	347,446

THIS WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE (TOGETHER, THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SECURITIES REPRESENTED HEREBY MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN OPINION OF COUNSEL, REASONABLY ACCEPTABLE TO COUNSEL FOR BENTLEY SYSTEMS, INCORPORATED, TO THE EFFECT THAT THE PROPOSED SALE, ASSIGNMENT, TRANSFER, OR DISPOSITION MAY BE EFFECTUATED WITHOUT REGISTRATION UNDER THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

Date as of July 2, 2001

Bentley Systems, Incorporated

Common Stock Purchase Warrant

Bentley Systems, Incorporated, a Delaware corporation (the "Company"), hereby certifies that, in consideration for [_____] and [_____] Bentley (collectively, "Holder") entering into a Guaranty and Surety Agreement (the "Agreement") dated December 26, 2000 (the "Closing Date") in favor of PNC Bank, National Association ("Agent"), pursuant to which Holder guaranteed certain obligations of the Company to Agent under the Credit Agreement (as defined below), Holder, or permitted assigns, is entitled, subject to the terms set forth below, to purchase from the Company, at any time and from time to time prior to the tenth anniversary of the Closing Date (the "Expiration Date"), up to [_____] fully paid and non-assessable shares (the "Warrant Shares") of the Class B Non-Voting Common Stock, par value $.01 per share, of the Company at a price per share equal to the Purchase Price (as hereinafter defined); provided, however, that except as provided in Section 2 hereof, Holder shall not have the right to exercise this Warrant prior to the fifth anniversary of the Closing Date. [_____] and [_____] Bentley hold this Warrant as joint tenants with rights of survivorship. "Purchase Price" means the applicable Exercise Price per Share (as defined in Schedule I attached hereto) as adjusted from time to time in accordance with Section 2. Notwithstanding the foregoing, the Purchase Price and the number and character of shares issuable under this Warrant are subject to adjustment as set forth in Section 2. This Warrant is herein called the "Warrant." The term "Credit Agreement" refers to the Revolving Credit and Security Agreement dated as of December 26, 2000 among the Company, Atlantech Solutions, Inc., Bentley Software, Inc., Agent, and the lenders named therein.

1. EXERCISE OF WARRANT. The purchase rights evidenced by this Warrant shall be exercised by the holder hereof by surrendering this Warrant, with the form of subscription at the end hereof duly executed by such holder, to the Company at its office at 685 Stockton Drive, Exton, PA 19341, or such other address as the Company may specify by written notice to the registered holder hereof, accompanied by payment, in cash, by certified or official bank check or by wire transfer of an amount equal to the Purchase Price multiplied by the number of shares being purchased pursuant to such exercise of the Warrant.

1.1 Partial Exercise. This Warrant may be exercised for (or cancelled under Section 1.2 as to) less than the full number of Warrant Shares issuable hereunder, in which case the number of shares receivable upon the exercise (or cancellation) of this Warrant as a whole, and the sum payable upon the exercise of this Warrant as a whole, shall be proportionately reduced. Upon any such partial exercise (or cancellation), the Company at its expense will forthwith issue to the holder hereof a new Warrant or Warrants of like tenor calling for the number of Warrant Shares as to which rights have not been exercised (or cancelled), such Warrant or Warrants to be issued in the name of the holder hereof or such holder's nominee (upon payment by such holder of any applicable transfer taxes).

1.2 Net Issue Exercise. In lieu of exercising this Warrant or in connection with an automatic exercise under Section 2.1, the holder hereof may elect to receive a number of Warrant Shares equal to the discount percentage in Schedule I that is applicable based on the date of such election times the number of Warrant Shares with respect to which such election is made. Holder may make such an election by surrendering this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue such Warrant Shares to Holder.

2. IPO; LIQUIDITY EVENT; ADJUSTMENTS TO PURCHASE PRICE.

2.1 Liquidity Event. This Warrant shall be automatically exercised upon the first to occur of (i) the consummation of an IPO (as defined below) or (ii) the consummation of a Liquidity Event (as defined below). This Warrant shall become exercisable but shall not be required to be exercised by the Holder upon a Change of Control of the Company that is not a Liquidity Event. "Change of Control" shall be an event that results in the Bentleys (as defined below) ceasing to own or control more than 50% of the voting securities of the Company. The Company shall provide the Holder hereof with notice of any event that can result in the exercise of this Warrant under this Section 2.1 pursuant to the provisions of Section 10 hereof. If this Warrant is exercised in connection with an IPO, the exercise may, at the option of the holder of this Warrant, be conditioned upon the closing with the underwriters of the sale of securities pursuant to the IPO, in which event the holder of this Warrant shall not be deemed to have exercised this Warrant until immediately prior to the closing of such sale of securities. "IPO" means the Company's initial public offering pursuant to an effective registration statement filed by the Company under the Act covering the offer and sale to the public for the account of the Company of any class or series of common stock of the Company resulting in aggregate gross proceeds to the Company of not less than $15 million at a "pre-money" valuation of at least $225 million; provided, however, that an IPO will be deemed to have occurred as of the end of two consecutive calendar quarters following a public offering that does not meet the requirements set forth above if the average daily market capitalization of the Company during such quarters (as measured based upon the price per share of the securities sold by the Company in such public offering) is equal to or greater than $225 million. "Liquidity Event" means a sale of all or substantially all of the assets of the Company or a merger of the Company that results in the Company's stockholders immediately prior to such transaction holding less than 50% of the voting power of the surviving, continuing or purchasing entity. "Bentleys" shall mean Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Raymond P. Bentley and Richard P. Bentley collectively.

2.2 Adjustments to Purchase Price and Number of Warrant Shares. Prior to the Expiration Date, the Purchase Price and the number of Warrant Shares purchasable upon the exercise of this Warrant are subject to adjustment from time to time upon the occurrence of any of the events enumerated in this Section 2.2. For purposes of this Section 2.2, "Fair Market Value per Share" of securities shall mean: (i) if such securities are traded on a securities exchange, the average of the closing prices of the securities on such exchange during the ten (10) trading day period ending three (3) trading days prior to the applicable date; (ii) if such securities are traded over-the-counter, the average of the closing sales prices of the securities during the ten (10) trading day period ending three (3) trading days prior to the applicable date; and (iii) if there is no public market for such securities, the fair market value thereof as determined in good faith by the Board of Directors of the Company.

(a) In the event that the Company shall at any time after the Closing Date and prior to the Expiration Date (i) declare a dividend on common stock in shares or other securities of the Company, (ii) split or subdivide the outstanding common stock, (iii) combine the outstanding common stock into a smaller number of shares or (iv) issue by reclassification of its common stock any shares of other securities of the Company, then, in each such event, the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto shall be adjusted so that on exercise in accordance herewith the holder shall be entitled to receive the kind and number of shares or other securities of the Company which the holder would have owned or have been entitled to receive after the happening of any of the events described above had this Warrant been exercised immediately prior to the happening of such event (or any record date with respect thereto). Such adjustment shall be made whenever any of the events listed above shall occur. An adjustment made pursuant to this subsection (a) shall become effective immediately after the effective date of the event retroactive to the record date, if any, for the event.

(b) (i) In the event that the Company shall at any time after the Closing Date and prior to the Expiration Date issue any shares of common stock (excluding shares of common stock issuable upon (A) the conversion or exchange of Convertible Securities (as defined below) which includes without limitation Series A Convertible Preferred Stock of the Company (the "Preferred Stock") and shares of Class B Non-Voting Common Stock held in escrow under the Escrow Agreement between the Company and Bachow Investment Partners III, L.P., a Delaware limited partnership (the "Escrow Agreement"), (B) exercise of Options (as defined below), (C) the conversion of common stock outstanding as of the date hereof, (D) the exercise of warrants to purchase up to 988,290 shares of Class B Non-Voting Common Stock issued to the lenders pursuant to the Credit Agreement, or (E) exercise of warrants to purchase shares of Class B Non-Voting Common Stock issued pursuant to the terms of the Securities Purchase Agreement dated December 26, 2000 among the Company and the purchasers named therein) without consideration or at a price per share less than the Fair Market Value per Share, then, in each such event (an "Adjustment Event"), the number of Warrant Shares purchasable upon exercise of this Warrant immediately prior thereto (the "Initial Number") shall be adjusted so that the holder of this Warrant when exercised shall be entitled to receive the number of Warrant Shares determined by multiplying the Initial Number by a fraction, of which the numerator shall be the number of shares of common stock outstanding immediately prior to such Adjustment Event plus the number of additional shares of common stock issued for purchase in such Adjustment Event, and of which the denominator shall be the number of shares of common

stock outstanding immediately prior to such Adjustment Event plus the number of shares of common stock which the aggregate issuance price of the total number of shares of common stock issued in such Adjustment Event would purchase at the Exercise Price per Share then in effect.

(ii) In the event that, at any time after the Closing Date, the Company shall in any manner issue or sell any stock or other securities convertible into or exchangeable for shares of common stock (such convertible or exchangeable stock or securities being herein referred to as "Convertible Securities") or grant any rights to subscribe for or to purchase, or any options or warrants for the purchase of, shares of common stock or Convertible Securities (such rights, options or warrants being herein referred to as "Options") and the price per share for which shares of common stock are issuable pursuant to such Options or upon conversion or exchange of such Convertible Securities (determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, or issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of such Options, plus, in the case of such Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the conversion or exchange thereof, by (B) the total maximum number of shares of common stock issuable pursuant to such Options or upon the conversion or exchange of the total maximum amount of such Convertible Securities) shall be less than the Fair Market Value per Share in effect immediately prior to the time of the granting of such Options or issuance or sale of such Options or Convertible Securities, then the total maximum number of shares of common stock issuable pursuant to such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issued or issuable upon the exercise of such Options shall (as of the date of the granting of such Options or issuance or sale of such Convertible Securities) be deemed to be outstanding and to have been issued or sold for purposes of subsection (b)(i) hereof for the price per share as so determined; provided that, except as provided in the following proviso, no further adjustment of the number of Warrant Shares issuable upon exercise of the Warrants shall be made upon actual issue of shares of common stock so deemed to have been issued; provided further, that upon the expiration or termination of any unexercised Options or conversion or exchange privileges for which any adjustment was made pursuant to subsection (b)(i) and this subsection (b)(ii) (or, if the purchase price provided for in any Option referred to in this subsection (b)(ii), the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in this subsection (b)(ii), or the rate at which any Convertible Securities referred to in this subsection (b)(ii) are convertible into or exchangeable for common stock shall change at any time), then the number of Warrant Shares issuable upon exercise of the Warrants shall be readjusted and shall thereafter be such number as would have prevailed had the number of Warrant Shares issuable upon exercise of the Warrants been originally adjusted (or had the original adjustment not been required, as the case may be) on the basis of (A) the shares of common stock, if any, actually issued or sold upon the exercise of such Options or conversion or exchange rights and (B) the consideration actually received by the Company upon such exercise plus the consideration, if any, actually received by the Company for the issuance, sale or grant of all of such Options or Convertible Securities whether or not exercised; provided, however, that no such readjustment shall have the effect of decreasing the number of Warrant Shares issuable upon exercise of this Warrant by an amount in excess of the amount of the adjustment initially made for the issuance, sale or grant of such Options or Convertible Securities.

(iii) If the Company at any time while this Warrant is outstanding shall, directly or otherwise, purchase, redeem or otherwise acquire any shares of common stock of the Company at a price per share greater than the Fair Market Value per Share then in effect (other than any such acquisition of shares of common stock or Options from any officer or employee of the Company or any redemptions, whether in whole or in part, of the Senior Common Stock), the Initial Number shall be adjusted so that the holder of this Warrant shall be entitled to receive the number of Warrant Shares determined by multiplying the Initial Number by a fraction, of which the numerator shall be the number of shares of common stock outstanding immediately after such purchase, redemption or acquisition and of which the denominator shall be the number of shares of common stock outstanding immediately prior to such purchase, redemption or acquisition minus the number of shares of common stock, which the aggregate consideration for the total number of such shares of common stock so purchased, redeemed or acquired would purchase at the Exercise Price per Share then in effect. For purposes of this subsection (iii), the date as of which the Exercise Price per Share shall be computed shall be the date of actual purchase, redemption or acquisition of such common stock.

(iv) In case any subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company or, if the holder shall, in the exercise of its sole discretion, object to such determination, by appraisal under the process set forth in Schedule I attached hereto. Shares of common stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any computation pursuant to this Section 2.2(b).

(c) No adjustment in the number of Warrant Shares shall be required unless such adjustment would require an increase or decrease of at least .25% in the aggregate number of Warrant Shares purchasable upon exercise of this Warrant; provided that any adjustments which by reason of this subsection 2.2(c) are not required to be made shall be carried forward and taken into account in any subsequent adjustment; provided, however, that notwithstanding the foregoing, all such adjustments shall be made no later than three years from the date of the first event that would have required an adjustment but for this paragraph. All calculations under this Section 2.2 shall be made to the nearest cent or to the nearest whole share, as the case may be.

(d) If at any time, as a result of an adjustment made pursuant to this Section 2.2, the holder of this Warrant shall become entitled to receive any shares of the Company other than shares of Class B Non-Voting Common Stock, thereafter the number of such other shares so receivable upon exercise of this Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Warrant Shares contained in this Section 2.2, and the provisions of this Agreement with respect to the Warrant Shares shall apply on like terms to such other shares.

(e) Whenever the number of Warrant Shares purchasable upon the exercise of this Warrant is adjusted, the Purchase Price payable upon exercise of this Warrant shall be adjusted by multiplying such Purchase Price immediately prior to such adjustment by a fraction, the numerator of which shall be the number of Warrant Shares purchasable upon the

exercise of this Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares purchasable immediately after such adjustment.

(f) In the event of any capital reorganization of the Company, or in the case of the consolidation of the Company with or the merger of the Company with or into any other entity or of the sale of the properties and assets of the Company as, or substantially as, an entirety to any other entity, this Warrant shall, after such capital reorganization, consolidation, merger or sale, and in lieu of being exercisable for Warrant Shares, be exercisable, upon the terms and conditions specified in this Warrant, for the number of shares of stock or other securities or assets (including cash) to which a holder of the number of Warrant Shares purchasable (at the time of such capital reorganization, consolidation, merger or sale) upon exercise of such Warrant would have been entitled upon such capital reorganization, consolidation, merger or sale; and in any such case, if necessary, the provisions set forth in this Section 2.2 with respect to the rights thereafter of the holder of this Warrant shall be appropriately adjusted so as to be applicable, as nearly as they may reasonably be, to any shares of stock or other securities or assets thereafter deliverable on the exercise of this Warrant. The Company shall not effect any such capital reorganization, consolidation, merger or sale unless prior to or simultaneously with the consummation thereof, the successor corporation (if other than the Company) resulting from such capital reorganization, consolidation, merger or sale or the entity purchasing such assets or the appropriate corporation or entity shall assume, by written instrument, the obligation to deliver to the holder of this Warrant the shares of stock, securities or assets to which, in accordance with the foregoing provisions, such holder may be entitled and all other obligations of the Company under this Warrant (and if the Company shall survive the consummation of such capital reorganization, consolidation, merger or sale, such assumption shall be in addition to, and shall not release the Company from, any continuing obligations of the Company under this Warrant).

(g) If any question shall at any time arise with respect to the adjusted Purchase Price or Warrant Shares issuable upon exercise, such question shall be determined by the independent auditors of the Company and such determination shall be binding upon the Company and the holders of this Warrant and the Warrant Shares.

(h) Notices to Warrant Holders. Upon any adjustment of the Purchase Price or number of Warrant Shares issuable upon exercise pursuant to Section 2.2, the Company shall promptly, but in any event within 10 days thereafter, cause to be given to the registered holder of this Warrant, at its address appearing on the Warrant Register by registered mail, postage prepaid, a certificate signed by its chief financial officer setting forth the Purchase Price as so adjusted and/or the number of Warrant Shares issuable upon the exercise of this Warrant as so adjusted and describing in reasonable detail the facts accounting for such adjustment and the method of calculation used.

3. DELIVERY OF STOCK CERTIFICATES ON EXERCISE. As soon as practicable after the exercise of this Warrant and payment of the Purchase Price, and in any event within ten (10) days thereafter, the Company, at its expense, will cause to be issued in the name of and delivered to the holder hereof a certificate or certificates for the number of fully paid and non-assessable shares or other securities or property to which such holder shall be entitled upon such exercise, plus, in lieu of any fractional share to which such holder would otherwise be

entitled, cash in an amount determined in accordance with Section 1.2 hereof. The Company agrees that the shares so purchased shall be deemed to be issued to the holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid.

4. REPLACEMENT OF WARRANT. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to it, or (in the case of mutilation) upon surrender and cancellation thereof, the Company will issue, in lieu thereof, a new Warrant of like tenor.

5. REDEMPTION.

5.1 Holder Redemption. On or after the fifth anniversary of the Closing Date, if the Company has not yet consummated an IPO or a Liquidity Event, the holder hereof shall have the right (the "Redemption Right") to require the Company to redeem the Warrant for a redemption price (the "Redemption Amount") corresponding to the Warrant Fair Market Value (as calculated pursuant to Schedule I attached hereto). The Company shall pay the Redemption Amount, in cash, within one hundred eighty (180) days of receiving notice from the holder that the holder is exercising the Redemption Right, together with interest on such amount accruing from the date on which the Company receives notice from the holder that the holder is exercising its Redemption Right to the date such amount is paid at an interest rate equal to the annual prime interest rate then in effect as set by PNC Bank, National Association. Upon a redemption under this Section 5.1, the holder shall surrender this Warrant to the Company at its office specified in Section 1 hereof, and the Company shall cancel this Warrant.

5.2 Company Redemption. On or after the fifth anniversary of the Closing Date, if the Company has not yet consummated an IPO or a Liquidity Event, the Company shall have the right (the "Company Redemption Right") to redeem the Warrant for a redemption price (the "Company Redemption Amount") corresponding to the Warrant Fair Market Value (as calculated pursuant to Schedule I attached hereto). The Company shall pay the Company Redemption Amount, in cash, on the thirtieth day after it has given notice of such redemption to the holder, together with interest on such amount accruing from the date on which the Company gives notice to the holder that the Company is exercising its Redemption Right at an interest rate equal to the annual prime interest rate then in effect as set by PNC Bank, National Association; provided that prior to the expiration of such thirty (30) day period, the holder may exercise the Warrant in accordance with Section 1 hereof. Upon a redemption under this Section 5.2, the holder shall surrender this Warrant to the Company at its office specified in Section 1 hereof, and the Company shall cancel this Warrant.

5.3 Preferred Stock. Notwithstanding the foregoing provisions of Section 5.1 and Section 5.2, each time that a holder of a Warrant seeks to exercise the Redemption Right or the Company seeks to exercise the Company Redemption Right, notice of such exercise shall be given by the Company (promptly upon its receipt or issuance of the applicable notice) to each holder of the Preferred Stock and no redemption of a Warrant shall occur prior to thirty (30) days after such notice is provided to each holder of Preferred Stock. If any holder of Preferred Stock

exercises its Stockholder Redemption Right (as defined in Section (C)3(a) of the Certificate of Incorporation of the Company) during such thirty (30) day period, no redemption of this Warrant shall occur until all amounts due to all such exercising holders of Preferred Stock have been paid in full.

6. RESERVATION AND ISSUANCE OF WARRANT SHARES. (a) The Company will at all times have authorized, and reserve and keep available, free from preemptive rights, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon the exercise of this Warrant, the number of shares deliverable upon exercise of this Warrant.

(b) Before taking any action which would cause an adjustment pursuant to Section 2.2 hereof reducing the Purchase Price below the then par value (if any) of the Warrant Shares issuable upon exercise of this Warrant, the Company will take any corporate action which may be necessary in order that the Company may validly and legally issue Warrant Shares at the Purchase Price as so adjusted.

(c) The Company covenants that all Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be free from all taxes with respect to the issuance thereof and from all liens, charges and security interests.

7. NEGOTIABILITY. This Warrant is issued upon the following terms, to all of which each taker or owner hereof consents and agrees:

(a) Except as provided in the Certificate of Incorporation, as amended, and Amended and Restated By-laws of the Company, and subject to the legend appearing on the first page hereof, title to this Warrant may be transferred by endorsement (by the holder hereof executing the form of assignment at the end hereof including guaranty of signature) and delivery in the same manner as in the case of a negotiable instrument transferable by endorsement and delivery. Absent an effective registration statement under the Act, covering the disposition of this Warrant or the Warrant Shares issued or issuable upon exercise hereof, the holder will not sell or transfer any or all of such Warrant or Warrant Shares, as the case may be, without first providing the Company with an opinion of counsel (which may be counsel for the Company) to the effect that such sale or transfer will be exempt from the registration and prospectus delivery requirements of the Act. Each certificate representing Warrant Shares issued pursuant to this Warrant, unless at the same time of exercise such Warrant Shares are registered under the Act, shall bear a legend in substantially the following form on the face thereof:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON ITS EXERCISE (TOGETHER, THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THE SECURITIES REPRESENTED HEREBY MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN OPINION OF COUNSEL, REASONABLY ACCEPTABLE TO COUNSEL FOR BENTLEY SYSTEMS, INCORPORATED, TO THE EFFECT THAT THE PROPOSED SALE, ASSIGNMENT, TRANSFER, OR DISPOSITION MAY BE EFFECTUATED WITHOUT REGISTRATION UNDER THE ACT AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER.

Any certificate issued at any time in exchange or substitution for any certificate bearing such legend (except a certificate issued upon completion of a distribution under a registration statement covering the securities represented) shall also bear such legend unless, in the opinion of counsel to the Company, the securities represented thereby may be transferred as contemplated by such holder without violation of the registration requirements of the Act.

(b) Any person in possession of this Warrant properly endorsed is authorized to represent itself as absolute owner hereof and is granted power to transfer absolute title hereto by endorsement and delivery hereof to a bona fide purchaser hereof for value; each prior taker or owner waives and renounces all of its equities or rights in this Warrant in favor of every such bona fide purchaser, and every such bona fide purchaser shall acquire title hereto and to all rights represented hereby.

(c) Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder of this Warrant as the absolute owner hereof for all purposes without being affected by any notice to the contrary.

(d) Prior to the exercise of this Warrant, the holder hereof shall not be entitled to any rights of a shareholder of the Company with respect to shares for which this Warrant shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein or in the Agreement.

(e) The Company shall not be required to pay any Federal or state transfer tax or charge that may be payable in respect of any transfer involved in the transfer or delivery of this Warrant or the issuance or delivery of certificates for Warrant Shares in a name other than that of the registered holder of this Warrant or to issue or deliver any certificates for Warrant Shares upon the exercise of this Warrant until any and all such taxes and charges shall have been paid by the holder of this Warrant or until it has been established to the Company's satisfaction that no such tax or charge is due.

8. SUBDIVISION OF RIGHTS. This Warrant (as well as any new warrants issued pursuant to the provisions of this paragraph) is exchangeable, upon the surrender hereof by the holder hereof, at the principal office of the Company for any number of new warrants of like tenor and date representing in the aggregate the right to subscribe for and purchase the number of Warrant Shares of the Company that may be subscribed for and purchased hereunder.

9. SPECIFIC PERFORMANCE. The holders of this Warrant and/or the Warrant Shares shall have the right to specific performance by the Company of the provisions of this Warrant. The Company hereby irrevocably waives, to the extent that it may do so under applicable law, any defense based on the adequacy of a remedy at law which may be asserted as a bar to the remedy of specific performance in any action brought against the Company for specific performance of this Warrant by the holders of this Warrant and/or the Warrant Shares.

10. NOTICES. (a) All notices and other communications from the Company to the holder of this Warrant shall be mailed by first-class certified mail, postage prepaid, to the address

furnished to the Company in writing by the last holder of this Warrant who shall have furnished an address to the Company in writing.

(b) In the event:

(1) the Company shall authorize issuance to all holders of Common Stock of rights or warrants to subscribe for or purchase capital stock of the Company or of any other subscription rights or warrants;

(2) the Company shall authorize any dividend or other distribution payable in evidences of its indebtedness, cash or assets;

(3) of any Liquidity Event or consolidation or merger or change of control to which the Company is a party, or of the conveyance or transfer of the properties and assets of the Company substantially as an entirety, or of any capital reorganization or reclassification or change of the Common Stock;

(4) of the voluntary or involuntary dissolution, liquidation or winding up to the Company;

(5) of the consummation of an IPO; and

(6) the Company proposes to take any other action which would require an adjustment of the Purchase Price or number of Warrant Shares issuable upon exercise pursuant to Section 2.2;

then the Company shall cause to be given to the registered holders of this Warrant at its address appearing on the Warrant Register, at least 10 days prior to the applicable record date hereinafter specified (or as expeditiously as possible after the occurrence of any involuntary dissolution, liquidation or winding up referred to in clause (4) above), a written notice in accordance with Section 10(a) stating (i) the date as of which the holders of record of Common Stock to be entitled to receive any such rights, warrants or distribution are to be determined, (ii) the date on which any such Liquidity Event, consolidation, merger, change of control, conveyance, transfer, dissolution, liquidation or winding up is expected to become effective (or has become effective, in the case of any involuntary dissolution, liquidation or winding up), or (iii) the date on which the consummation of such IPO is expected to occur, and the date as of which it is expected that holders of record of Common Stock shall be entitled to exchange their shares for securities or other property, if any, deliverable upon such reclassification, Liquidity Event, consolidation, merger, change of control, conveyance, transfer, dissolution, liquidation or winding up. The failure to give the notice required by this Section 10(b) or any defect therein shall not affect the legality or validity of any distribution, right, warrant, consolidation, merger, conveyance, transfer, dissolution, liquidation or winding up, or the vote upon any action.

11. HEADINGS. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect the meaning hereof.

12. CHANGE; WAIVER. Neither this Warrant nor any term hereof may be changed, waived, discharged or terminated orally but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

13. GOVERNING LAW. This Warrant shall be construed and enforced in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, the Company, by the undersigned thereunto duly authorized, has duly executed this Common Stock Purchase Warrant as of the date first written above.

BENTLEY SYSTEMS, INCORPORATED

By:

Name:
Title:

Dated as of July 2, 2001

ACCEPTED AS OF THE DATE HEREOF:

[----------]

[----------]

[To be signed only upon exercise or net issue exercise of Warrant]

To _____:

The undersigned, the holder of the within Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, _____ shares of Common Stock of _____ and herewith makes payment of $_____ therefor, and requests that the certificates for such shares be issued in the name of, and be delivered to _____, whose address is _____.

The undersigned, the holder of the within Warrant, hereby irrevocably elects to receive that number of shares of Common Stock equal to _____ percent of the total number of shares issuable upon exercise hereof by surrendering the Warrant, and requests that the certificates for such shares be issued in the name of, and be delivered to _____, whose address is _____.

Dated: _____

By

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

[To be signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the within Warrant to purchase the _____ shares of the Common Stock of _____ to which the within Warrant relates, and appoints _____ attorney to transfer said right on the books of _____ with full power of substitution in the premises.

Dated: _____

By

(Signature must conform in all respects to name of Holder as specified on the face of the Warrant)

Address:

In the presence of

- ---

Signature Guarantee

Schedule I

A. Purchase Price

1. IPO. If the Warrant is exercised upon the consummation of an IPO, the "Exercise Price per Share" shall be the initial offering per share price to the public of the equity security sold in the IPO discounted as set forth in A.4. below.

2. Liquidity Event. If the Warrant is exercised upon the consummation of a Liquidity Event, the "Exercise Price per Share" shall be the per share consideration paid to stockholders of the Company in the Liquidity Event discounted as set forth in A.4. below. If such per share consideration includes non-cash consideration, the per share value of such non-cash consideration shall be calculated (i) for non-cash consideration consisting of shares of publicly traded securities, based upon the closing price per share of such securities on the date of such consummation or (ii) for other non-cash consideration, in the same manner that the Fair Market Value of shares is calculated in B. below.

3. Other Events. If the Warrant is exercised or redeemed other than upon the consummation of an IPO or a Liquidity Event, the "Exercise Price per Share" shall be the fair market value of a share of Common Stock (the "Fair Market Value") (as calculated in B. below) discounted as set forth in A.4. below.

4. Discount. The applicable discount to the Exercise Price per Share shall be as follows:

Year	Discount to Exercise Price per Share*
On or prior to first year anniversary of Closing Date	20%
After the first year anniversary and on or prior to second year anniversary of Closing Date	30%
After the second year anniversary and on or prior to third year anniversary of Closing Date	40%
After the third year anniversary and on or prior to fourth year anniversary of Closing Date	50%
After the fourth year anniversary and on or prior to fifth year anniversary of Closing Date	60%
After the fifth year anniversary and on or prior to sixth year anniversary of Closing Date	70%
After the sixth year anniversary of Closing Date	70%

* The Exercise Price per Share related to an exercise in any year shall be discounted as set forth above, but with the incremental amount of the discount over the preceding anniversary period reduced by the number of days remaining in the applicable anniversary period. For example purposes only, the discount to the Exercise Price per Share on the 182nd day of the second anniversary period after the Closing Date would be 25%, and the discount to the Exercise Price per Share on the 182nd day of the fourth anniversary period after the Closing Date would be 45%.

B. Fair Market Value

The Fair Market Value of shares of Common Stock shall be determined by a disinterested independent qualified appraiser (the "Appraiser") selected by the holder and the Company. If the holder and the Company are able to agree upon an Appraiser, such Appraiser shall be instructed to prepare a written valuation or appraisal (the "Appraisal") within thirty (30) days after its selection, with the expenses of the first valuation in any given 12 month period to be borne by the Company and, thereafter, to be borne equally by the Company and the holder. If the holder and the Company are not able to agree upon the selection of an Appraiser within a five (5) day period after the occurrence of the event giving rise to the valuation, each of the holder and the Company will, within five (5) days after the end of such five (5) day period, select an Appraiser to determine the Fair Market Value of the Common Stock. If either the holder or the Company fails to select an Appraiser within such five (5) days, the Appraiser selected by the other party shall determine the Fair Market Value of the Common Stock. Each of the Appraisers so selected will be instructed to furnish both the holder and the Company with a written appraisal within thirty (30) days of its selection, with the expense of each appraisal to be borne by the party selecting the Appraiser. If the higher of the appraisals is not more than 110% of the lower appraisal, then the Fair Market Value of the Common Stock will be the arithmetic average of the appraisals. If the higher of the appraisals is greater than 110% of the lower appraisal, the Appraisers shall, within ten days after the issuance of their respective reports, select a third Appraiser to determine the Fair Market Value. The third Appraiser shall furnish a written appraisal within thirty (30) days of its selection, with the expense thereof to be borne equally by the holder and the Company. The third appraisal shall be arithmetically averaged with the previous appraisals, and the appraisal furthest from the average of the three appraisals will be disregarded. The arithmetic average of the remaining two appraisals will be the Fair Market Value of the Common Stock.

Each Appraiser engaged to provide an appraisal hereunder will be instructed to (i) include therein a statement of the criteria applied and assumptions made to determine the Fair Market Value of the Common Stock; (ii) arrive at a single calculation of such fair market value rather than alternative calculations or a range of calculations; and (iii) not attribute a premium or discount based on the fact that (1) the Common Stock being valued constitutes a majority or less than a majority of the total issued and outstanding shares of capital stock of the Company, (2) there is no liquid market for the sale and purchase of the Common Stock and (3) the Common Stock is non-voting. Any appraisal not complying with the foregoing shall not constitute an appraisal for the purpose hereof.

The failure of an Appraiser to complete an appraisal within thirty (30) days as instructed shall not affect the validity of such Appraiser's appraisal.

"Warrant Fair Market Value" means the applicable discount percentage (as set forth in A. above) times the Fair Market Value of the Warrant Shares calculated as set forth above.

Schedule of Guarantor's Common Stock Purchase Warrants

The following schedule sets forth the holders of Guarantor's Common Stock Purchase Warrants and the shares of Class B non-voting common stock underlying each Warrant.

Name:	Shares of Common Stock underlying Warrants
Gregory and Caroline Bentley (JTWROS)	429,188
Keith and Corrine Bentley (JTWROS)	75,398
Barry and Therese Bentley (JTWROS)	75,398

STOCK PLEDGE AGREEMENT

THIS STOCK PLEDGE AGREEMENT (this "Agreement") is dated as of August 6, 1999, by and among Bentley Systems, Incorporated, a Delaware Corporation ("Bentley" or the "Secured Party"), and [_____] (the "Pledgor").

BACKGROUND

The Pledgor is acquiring [_____] shares of Class A common stock of Bentley on the date hereof (the "Common Stock").

The Pledgor has delivered to the Secured Party a promissory note, dated August 6, 1999 (the "Note"), as consideration for the purchase of the Common Stock, which evidences a principal amount due to the Secured Party of $[_____].

To secure its obligations under the Note, the Secured Party requires that it be granted a security interest in the Common Stock.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the parties hereto, intending to be legally bound, agree as follows:

1. Pledge of Stock. As collateral security for the payment of the amounts required to be paid by the Pledgor under the Note, the Pledgor hereby pledges and grants to the Secured Party a security interest in the Common Stock, and all dividends, cash, instruments, and other property from time to time received, receivable, or otherwise distributed or distributable in respect of or in exchange for any of such Common Stock, and all proceeds of any of the foregoing (collectively, the "Pledged Collateral").

2. Security for Obligation. The security interest granted by this Agreement secures the payment by the Pledgor of its payment obligation under the Note (such payment obligation is hereinafter referred to as the "Obligation").

3. Delivery of Pledged Collateral. All instruments representing or evidencing the Pledged Collateral shall be held by the Secured Party. Pledgor shall furnish Secured Party with duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Secured Party. After the occurrence of an Event of Default (as hereinafter defined), the Secured Party shall have the right, at any time in its discretion without further notice to the Pledgor, to transfer to or to register in the name of the Secured Party or its nominees any or all of the Pledged Collateral, in accordance with Section 12 hereof.

4. Further Assurances. The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, it will promptly execute and deliver all further instruments and documents, and take all further action that the Secured Party may reasonably request, in order to

perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce the rights and remedies hereunder with respect to any of the Pledged Collateral, including, without limitation, delivering to Secured Party certificates evidencing the Pledged Collateral not already in Secured Party's possession and preparing, executing and filing financing statements on Form UCC-1 in the appropriate governmental offices.

5. Warranty of Title; Authority. The Pledgor hereby represents and warrants that:

(a) it has good and marketable title to the property now constituting the Pledged Collateral, and will have good title to any property subsequently constituting the Pledged Collateral pursuant to the terms hereof, in each case free and clear of any liens, claims, security interests, and other encumbrances; and

(b) it has full capacity and legal right to execute, deliver and perform its obligations under this Agreement and to pledge and grant a security interest in all of the Pledged Collateral pursuant to this Agreement, and the execution, delivery and performance hereof and the pledge of and granting of a security interest in the Pledged Collateral hereunder does not contravene any law, rule or regulation or any provision of any judgment, decree or order of any tribunal or of any agreement or instrument to which it is a party or by which it or any of its property is bound or affected or constitute a default thereunder.

6. Consensual Rights.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) the Pledgor shall be entitled to exercise any and all of its consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Note; provided, however, that it shall give the Secured Party at least thirty 30 days prior written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right which would have a material adverse effect on the value of the Pledged Collateral; and, provided, further, that it shall not exercise or refrain from exercising any such right if the Secured Party advises him that, in the Secured Party's reasonable judgment, such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof; and

(ii) the Secured Party shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as the Pledgor may reasonably request for the purpose of enabling him to exercise the voting and other rights which he is entitled to exercise pursuant to paragraph (i) above.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 6(a)(i) hereof shall cease and the Secured

Party shall thereupon have the sole right to exercise such consensual rights.

7. Transfers and Liens. The Pledgor will not sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, or create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Pledged Collateral, except that the Pledgor may sell or otherwise dispose of all or a portion of the Pledged Collateral provided that all or an equal portion of the outstanding principal amount of the Note is immediately prepaid from the proceeds of such sale or disposition.

8. Secured Party Appointed Attorney-in-Fact. The Pledgor hereby appoints the Secured Party as its attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement. In its capacity as such attorney-in-fact, the Secured Party shall not be liable for any acts or omissions, nor for any error of judgment or mistake of fact or law, but only for bad faith, willful misconduct or gross negligence. This power, being coupled with an interest, is irrevocable.

9. Secured Party May Perform. If the Pledgor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Secured Party incurred in connection therewith shall be payable by the Pledgor in accordance with Section 13(b) hereof.

10. Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Pledged Collateral and shall not impose any duty to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the accounting for monies actually received by it hereunder, the Secured Party shall not have any duty as to any Pledged Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Collateral, except as provided under Section 12 hereof.

11. Default. "Event of Default" means:

(a) a default in payment of the amounts due and payable under the Note;

(b) any failure by the Pledgor to perform any of his obligations under this Agreement or any other agreement, instrument, or document evidencing or securing the Obligation;

(c) a filing of a voluntary by or involuntary petition of bankruptcy against the Pledgor and/or insolvency (however such insolvency may be evidenced) of the Pledgor; and

(d) any breach of any representation or warranty made by the Pledgor in connection with the transactions contemplated by this Agreement or any other agreement,

instrument, or document evidencing or securing the Obligation.

12. Events of Default; Remedies. (a) If an Event of Default shall occur and be continuing, then the Secured Party may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to the Secured Party, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in the Commonwealth of Pennsylvania (the "Code"), including, without limitation, retaining ownership of the Pledged Collateral or transferring the Pledged Collateral in accordance with the Code and other applicable laws and agreements.

(b) The Pledgor agrees that at least fifteen days' notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall be given and shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) The Secured Party shall be authorized at any sale (if Secured Party deems it advisable to do so) which is subject to the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "1933 Act"), or any state "Blue Sky" laws, to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Pledged Collateral for their own account in compliance with the 1933 Act, and to otherwise conduct such sale such that the registration of the offer and sale of the Pledged Collateral will not be required under the 1933 Act or any state "Blue Sky" laws. The Secured Party may take all such further acts as the Secured Party may reasonably deem necessary for compliance with any provision of law, even if such act might, whether by limiting the market or by adding to the costs of sale or otherwise, depreciate prices that might otherwise be obtained for the Pledged Collateral being sold or otherwise restrict the net proceeds available from the sale thereof. Upon consummation of any such sale, the Secured Party shall have the right to assign, transfer, endorse and deliver to the purchaser or purchasers thereof the Pledged Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Pledgor, and the Pledgor hereby waives, to the extent permitted by law, all rights of stay or appraisal which the Pledgor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

(d) Any cash held by the Secured Party as Pledged Collateral and all cash proceeds received by the Secured Party in respect of any collection from, or other realization upon all or any part of the Pledged Collateral in the discretion of the Secured Party, may be held by the Secured Party as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Secured Party pursuant to Section 13 hereof) in whole or in part by the Secured Party against, all or any part of the Obligation in such order as the Secured Party shall elect. Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of the Obligation shall be paid over to the Pledgor as its interest may appear

or as a court of competent jurisdiction may direct.

13. Indemnity and Expenses.

(a) The Pledgor agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses, or liabilities resulting from the Secured Party's bad faith, willful misconduct or gross negligence.

(b) Upon the occurrence and during the continuance of an Event of Default, the Pledgor will upon demand pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the administration and enforcement of this Agreement, (ii) the custody or preservation of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder, or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

14. Amendments, Indulgences, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure or delay on the part of the Secured Party in the exercise of any right, power, or remedy under this Agreement shall constitute a waiver thereof, or prevent the exercise thereof in that or any other instance.

15. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing and shall be deemed to have been given when delivered, if hand-delivered or sent by nationally recognized overnight carrier, or when mailed, if sent by certified mail, return receipt requested and postage prepaid, to the following address:

If to the Secured Party:

Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341

If to the Pledgor:

[_____]
[_____]
[_____]
[_____]

All notices, offers, acceptances and other communications shall be deemed to have been sent, delivered and received and shall be legally effective for all purposes as of the time when they are mailed by certified mail, return receipt requested, or a nationally recognized express or overnight delivery or a hand-delivery to the person to whom such communication is directed.

16. Continuing Security Interest. This Agreement creates a continuing security interest in the Pledged Collateral and shall be binding upon the Pledgor, and its respective heirs, representatives, successors and assigns and inure to the benefit of the Secured Party and the Secured Party's legal representatives, successors, transferees and assigns. The execution and delivery of this Agreement shall in no manner impair or affect any other security (by endorsement or otherwise) for the payment of the Obligation and no security taken hereafter as security for payment or performance of the Obligation shall impair in any manner or affect this Agreement or the security interest granted hereby, all such present and future additional security to be considered as cumulative security. Any of the Pledged Collateral may be released from this Agreement without altering, varying, or diminishing in any way this Agreement or the security interest granted hereby as to the Pledged Collateral not expressly released, and this Agreement and such security interest shall continue in full force and effect as to all of the Pledged Collateral not expressly released.

17. Discharge of the Pledgor. At such time as all of the principal and interest on the Note shall have been fully paid and performed, then all rights and interests in such Pledged Collateral as shall not have been transferred or otherwise applied by the Secured Party pursuant to the terms hereof and shall still be held by the Secured Party shall forthwith be transferred and delivered to the Pledgor, and the right, title and interest of the Secured Party therein shall cease and the Secured Party shall (i) return to the Pledgor all certificates or other documents or instruments in the possession of Secured Party for purposes of the perfection of the security interest granted hereunder and (ii) if necessary and appropriate, prepare, execute and file with the appropriate governmental authorities termination statements on Form UCC-3.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to principles of conflicts of law. Unless otherwise defined herein, terms defined in the Code as in effect on the date hereof are used herein as therein defined as of such date.

19. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

20. Severability. The provisions of this Agreement are independent of and separable from each other, and no such provision shall be altered or rendered invalid or unenforceable by virtue of the fact that for any reason any other such provision may be invalid or unenforceable in whole or in part.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement, or caused this Agreement to be executed by a duly authorized representative, as of the date first above written.

PLEDGOR:

Name: [_____]

SECURED PARTY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

Schedule of Stock Pledge Agreements

The following schedule identifies the individuals that are a party to a Stock Pledge Agreement, dated August 6, 1999, with Bentley Systems, Incorporated. It also identifies the debt owed and the shares of Class A common stock pledged pursuant to such Stock Pledge Agreement.

Name :	Indebtedness	Class A common stock pledged
Barry J. Bentley	$1,142,221	222,222
Gregory S. Bentley	$1,142,225	222,223
Keith A. Bentley	$1,142,221	222,222
Raymond B. Bentley	$ 571,111	111,111
Richard P. Bentley	$ 571,111	111,111
David G. Nation	$ 571,111	111,111

EXHIBIT 10.20

DEFERRED COMPENSATION AGREEMENT
BETWEEN
BENTLEY SYSTEMS, INCORPORATED
AND
[ ]

DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT is made as of this 6th day of August, 1999 (the "Agreement Date") between Bentley Systems, Incorporated, a Delaware corporation ("Employer"), and [_____] ("Executive").

The parties hereto, intending to be legally bound hereby, agree as follows:

1. Deferred Compensation Account. As of August 6, 1999, Employer shall establish on its books a Deferred Compensation Account (the "Account") for Executive, and will credit to such Account an amount equal to [$].

2. Agreement Unfunded. This Agreement shall be unfunded for tax purposes and for the purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. Executive shall have the status of a general unsecured creditor of Employer and this Agreement shall constitute a mere promise by Employer to make payments in the future. Employer may establish a grantor trust to which general corporate assets may be contributed in order to assist Employer in meeting its obligation under this Agreement.

3. Interest on Deferred Amount. Interest on the amount credited to Executive's Account pursuant to Paragraph 1 shall be paid directly to Executive on the business day coincident with or first following August 6, 2000 and August 6 of each year (or partial year) of this Agreement thereafter, at the rate of six percent (6%) per annum, until the amount credited to Executive's Account is paid in accordance with Paragraph 4 (at which time all accrued but unpaid interest shall also be paid).

4. Payment of Deferred Amount

(a) Date Certain. The amount credited to Executive's Account shall be paid to Executive in a single lump-sum amount on August 6, 2005.

(b) Termination of Employment. In the event Executive's employment with Employer terminates for any reason (other than death) prior to the date in subparagraph (a), the amount credited to Executive's Account shall be paid to Executive in a single lump-sum payment not later than 90 days following the termination.

(c) Death. In the event Executive dies prior to the date in subparagraph (a), the amount credited to his Account shall be paid to his surviving

spouse in a single lump-sum payment not later than 90 days following the date of death, or, if his spouse has predeceased him or if Executive is otherwise unmarried at his death, to Executive's estate.

(d) Change of Control. In the event of a Change of Control of Employer, the amount credited to Executive's Account shall be paid to Executive in a single lump-sum payment not later than 90 days following the Change of Control. A "Change of Control" shall be deemed to have taken place if:

(1) any person or entity, including a "group" (within the meaning of Rule 13d-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) but excluding Employer or any stockholder of Employer as of the date of this Agreement who are part of a "group" that controls Employer as of the date hereof, becomes the beneficial owner of shares of Employer having 50 percent or more of the total number of votes that may be cast for the election of directors of Employer;

(2) there occurs any cash tender or exchange offer for shares of Employer, merger or other business combination involving Employer, or sale of all or substantially all of the assets of Employer, or any combination of the foregoing transactions, and as a result of or in connection with any such event persons who were directors of Employer before the event shall cease to constitute a majority of the Board of Directors of Employer or any successor to Employer; or

(3) during any period of two consecutive calendar years beginning after the date of the initial public offering of the common stock of Employer, members of the Incumbent Board cease for any reason to constitute a majority of the Board. For this purpose, the "Incumbent Board" shall consist of the individuals who at the beginning of such period constitute the entire Board and any new director - other than a director (i) designated or nominated by, or affiliated with, a person who has entered into an agreement with Employer to effect a transaction described in (2) above, or (ii) who initially assumed office as result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 under the Exchange Act), or other actual or threatened solicitation of proxies or contest by or on behalf of a person other than the Board (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest - whose election by the Board or nomination for election by the stockholders of Employer was approved by a vote of at least 2/3rds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(4) As used in (1), (2), and (3) above, the terms "person" and "beneficial owner" have the same meaning as such terms

under Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(e) Initial Public Offering. In the event of an initial public offering of equity securities of Employer which is registered under the Securities Act of 1933, as amended, the amount credited to Executive's Account shall be paid to Executive in a single lump-sum payment no later than six months following the initial public offering.

5. Amendment or Termination. This Agreement may be amended or terminated upon the mutual agreement of Employer and Executive.

6. Withholding; Payroll Taxes. Employer shall withhold from any payment made under this Agreement any taxes required to be withheld for Federal, state, or local taxes.

7. Non-Alienation. No benefits under this Agreement shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of Executive or his spouse or estate, and any attempt to do so shall be void and unenforceable. Such benefits shall not be subject to or liable for the debts, contracts, liabilities, engagements, or torts of Executive or his spouse or estate.

8. General Funds of Employer. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind (except as provided in Paragraph 2), or a fiduciary relationship between Employer and Executive, his spouse or estate, or any other person. To the extent that any person acquires a right to receive payments from Employer under this Agreement, such right shall be no greater than the right of an unsecured general creditor of Employer.

9. No Effect on Benefit Plans. No deferred compensation payable under this Agreement shall be deemed salary or other compensation to Executive for the purpose of computing benefits to which he may be entitled under any pension or profit-sharing plan or other arrangement of Employer for providing benefits to its employees.

10. Interpretation of Agreement. Employer shall have full power and authority to interpret, construe, and administer this Agreement. Employer's interpretation and construction thereof, and actions thereunder, including any valuation of Executive's Account, or its determination of the amount or recipient of payments to be made therefrom, shall be binding and conclusive on all persons for all purposes. Employer shall not be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Agreement unless attributable to its own willful misconduct.

11. Binding Nature. This Agreement shall be binding upon and inure to the benefit of Employer, its successors and assigns, and Executive and his heirs, executors, administrators, and legal representatives.

12. Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed by its duly authorized officer, and Executive has hereunto set his hand and seal on the date first above written.

EXECUTIVE

- ----------

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Senior V.P.

Schedule of Deferred Compensation Agreements

The following schedule identifies the individuals that have executed a Deferred Compensation Agreement, dated August 6, 1999, with Bentley Systems, Incorporated. The schedule also sets forth the amounts credited to such individuals' accounts.

Name:	Amount Credited
Barry J. Bentley	$1,142,221
Gregory S. Bentley	$1,142,225
Keith A. Bentley	$1,142,221
Raymond B. Bentley	$571,111
Richard P. Bentley	$571,111
David G. Nation	$571,111

Exhibit 10.21

PROMISSORY NOTE

$229,400.00 January 14, 2002

FOR VALUE RECEIVED, Gregory and Caroline Bentley ("Maker"), hereby unconditionally promises to pay to the order of Bentley Systems, Incorporated, a Delaware corporation ("Payee"), on the earlier of January 14, 2007 (the "Maturity Date"), the date specified in paragraph 5 below or upon the demand of the holder subsequent to an Event of Default (as defined in the Pledge Agreement between Maker and Payee of January 14, 2002 (as amended, the "Pledge Agreement")), the principal amount of Two Hundred Twenty Nine Thousand Four Hundred and No/100 Dollars ($229,400.00), together with interest on the outstanding principal balance hereof from time to time outstanding from the date hereof and until this Note is paid in full, whether before or after maturity, at the rate of six percent (6%) per annum, and, to the extent lawful, to pay interest at the same rate on any overdue installment of interest.

1. Interest shall be simple interest calculated on the basis of actual days elapsed and a year of 365 days and shall be paid at the same time as the principal amount, or any portion thereof, is paid.

2. Payments of principal and interest shall be made in lawful money of the United States of America by cash or check at Bentley Systems, Incorporated, 685 Stockton Drive, Exton, PA 19341 or at such other place as the holder of this Note shall designate to Maker in writing.

3. Maker may prepay this Note in whole or in part at any time without premium or penalty.

4. This Note is the note referred to in, and is entitled to the benefits of, and is secured as provided in, the Pledge Agreement. Reference is hereby made to the Pledge Agreement for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security, and the rights of the holder of this Note in respect thereof.

5. Upon the occurrence of any of the following events, all amounts payable hereunder shall, without notice or demand, become due and payable at such times as are indicated below, and the holder shall thereupon have all rights and remedies provided hereunder, in any other agreement between Payee and Maker or otherwise available at law or in equity:

(a) In the event Maker's employment with Payee terminates for any reason (other than by reason of death or disability) prior to the Maturity Date, the outstanding principal balance hereof, together with all accrued interest hereon, shall become due and payable not later than 90 days following the date of termination; provided that such acceleration shall not occur under this paragraph if such termination of employment occurs after a "Change in Control" (as that term is defined in the Payee's 1997 Stock Option Plan, as amended) of the Payee and so long as the Payee's common stock (or successor security) is not publicly traded.

(b) In the event of any sale of the Pledged Collateral (as defined in the Pledge Agreement) (other than a transfer of any Estate Planning Shares (as defined in the Pledge

Agreement)), the principal amount of this Note shall become due and payable in the same proportion of the total original principal amount as the proportion of the total Pledged Collateral that are sold.

(c) In the event of any exchange of the Pledged Collateral in a sale or merger of the Payee for cash or securities that are publicly traded and freely marketable by the Maker.

(d) In the event of an initial public offering of equity securities of Payee which is registered under the Securities Act of 1933, as amended, the outstanding principal balance hereof, together with all accrued interest hereon, shall become due and payable no later than one year following the initial public offering.

6. No failure or delay on the part of the holder to insist on strict performance of Maker's obligations hereunder or to exercise any remedy shall constitute a waiver of the holder's rights in that or any other instance. No waiver of any of the holder's rights shall be effective unless in writing, and any waiver of any default or any instance of non-compliance shall be limited to its express terms and shall not extend to any other default or instance of non-compliance.

7. Maker and each endorser hereby waives presentment, notice of nonpayment or dishonor, protest, notice of protest and all other notices in connection with the delivery, acceptance, performance, default or enforcement of payment of this Note, and hereby waives all notice or right of approval of any extensions, renewals, modifications or forbearances which may be allowed.

8. Any proceeding relating to this Note may be instituted in any federal court in the Eastern District of Pennsylvania or any state court located in Chester County in the Commonwealth of Pennsylvania and Maker irrevocably submits to the nonexclusive jurisdiction of any such court and waives any objection Maker may have to the conduct of any proceeding in any such court based on improper venue or forum non conveniens. Because of the greater time and expense required therefor, Maker hereby waives, to the extent permitted by law, a trial by jury.

9. Maker shall pay all reasonable costs and expenses (including attorneys' fees) incurred by the holder relating to the enforcement of this Note.

10. Any provision hereof found to be illegal, invalid or unenforceable for any reason whatsoever shall not affect the validity, legality or enforceability of the remainder hereof.

11. If the effective interest rate on this Note would otherwise violate any applicable usury law, then the interest rate shall be reduced to the maximum permissible rate and any payment received by the holder in excess of the maximum permissible rate shall be treated as a prepayment of the principal of this Note.

12. This Note shall be binding upon Maker's heirs, personal representatives and assigns and shall inure to the benefit of each holder of this Note and such holder's heirs, personal representatives, successors, endorsees and assigns.

13. This Note has been delivered in the Commonwealth of Pennsylvania and shall be governed by the laws of that Commonwealth.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed and delivered this instrument.

/s/ Gregory Bentley

Gregory Bentley

/s/ Caroline Bentley

Caroline Bentley

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement") is dated as of January 14, 2002, by and among Bentley Systems, Incorporated, a Delaware Corporation ("Bentley" or the "Secured Party"), and Gregory and Caroline Bentley (the "Pledgor").

BACKGROUND

Bentley issued Pledgor a Common Stock Purchase Warrant to purchase up to 429,188 shares of Bentley's Class B Common Stock (the "Original Warrant") in consideration for Pledgor's guarantee of certain obligations of Bentley under the Revolving Credit and Security Agreement dated as of December 26, 2000 among Bentley, Atlantech Solutions, Inc., Bentley Software, Inc., as co-borrowers, PNC Bank, National Association, as agent, and the lenders named therein.

On December 31, 2001, the Pledgor transferred a total of 61,000 warrant shares represented by the Original Warrant, and the Company recorded such transfers on its books and issued the Pledgor a Common Stock Purchase Warrant for 368,188 warrant shares (the "Warrant") representing the balance of the warrant shares.

The Pledgor has delivered to the Secured Party a promissory note, dated January 14, 2002 (the "Note"), as consideration for a $229,400 loan from Bentley to fund certain tax obligations incurred by Pledgor as a result of the issuance of the Warrant.

As a condition to making the loan, Bentley requires that the Note be secured by the Warrant.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the parties hereto, intending to be legally bound, agree as follows:

1. Pledged Collateral. As collateral security for the payment of the amounts required to be paid by the Pledgor under the Note, the Pledgor hereby pledges and grants to the Secured Party a security interest in the Warrant, and all capital stock issued by the exercise thereof, and all dividends, cash, instruments and other property from time to time received, receivable, or otherwise distributed or distributable in respect of or in exchange for any of the foregoing, and all proceeds of any of the foregoing (collectively, the "Pledged Collateral").

2. Security for Obligation. The security interest granted by this Agreement secures the payment by the Pledgor of its payment obligation under the Note (such payment obligation is hereinafter referred to as the "Obligation").

3. Delivery of Pledged Collateral. All instruments representing or evidencing the Pledged Collateral shall be held by the Secured Party. Pledgor shall furnish Secured Party with duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Secured Party. After the occurrence of an Event of Default (as hereinafter

defined), the Secured Party shall have the right, at any time in its discretion without further notice to the Pledgor, to transfer to or to register in the name of the Secured Party or its nominees any or all of the Pledged Collateral, in accordance with Section 12 hereof.

4. Further Assurances. The Pledgor agrees that at any time and from time to time, at the expense of the Pledgor, it will promptly execute and deliver all further instruments and documents, and take all further action that the Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce the rights and remedies hereunder with respect to any of the Pledged Collateral, including, without limitation, delivering to Secured Party certificates evidencing the Pledged Collateral not already in Secured Party's possession and preparing, executing and filing financing statements on Form UCC-1 in the appropriate governmental offices.

5. Warranty of Title; Authority. The Pledgor hereby represents and warrants that:

(a) it has good and marketable title to the property now constituting the Pledged Collateral, and will have good title to any property subsequently constituting the Pledged Collateral pursuant to the terms hereof, in each case free and clear of any liens, claims, security interests, and other encumbrances; and

(b) it has full capacity and legal right to execute, deliver and perform its obligations under this Agreement and to pledge and grant a security interest in all of the Pledged Collateral pursuant to this Agreement, and the execution, delivery and performance hereof and the pledge of and granting of a security interest in the Pledged Collateral hereunder does not contravene any law, rule or regulation or any provision of any judgment, decree or order of any tribunal or of any agreement or instrument to which it is a party or by which it or any of its property is bound or affected or constitute a default thereunder.

6. Consensual Rights.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) the Pledgor shall be entitled to exercise any and all of its consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Note; provided, however, that it shall give the Secured Party at least thirty 30 days prior written notice of the manner in which it intends to exercise, or the reasons for refraining from exercising, any such right which would have a material adverse effect on the value of the Pledged Collateral; and, provided, further, that it shall not exercise or refrain from exercising any such right if the Secured Party advises him that, in the Secured Party's reasonable judgment, such action would have a material adverse effect on the value of the Pledged Collateral or any part thereof; and

(ii) the Secured Party shall execute and deliver (or cause to be executed and delivered) to each Pledgor all such proxies and other instruments as the Pledgor

may reasonably request for the purpose of enabling him to exercise the voting and other rights which he is entitled to exercise pursuant to paragraph (i) above.

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 6(a)(i) hereof shall cease and the Secured Party shall thereupon have the sole right to exercise such consensual rights.

7. Transfers and Liens. The Pledgor will not sell or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, or create or permit to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Pledged Collateral, except that (a) the Pledgor may sell or otherwise dispose of all or a portion of the Pledged Collateral provided that all or an equal portion of the outstanding principal amount of the Note is immediately prepaid from the proceeds of such sale or disposition, and (b) the Pledgor may transfer up to 40 percent of the warrant shares represented by the Warrant to his children or to a trust(s) created for the benefit of his children ("Estate Planning Shares"), and, upon written notice to Bentley of any such transfer, Bentley shall immediately and automatically release its lien on any such Estate Planning Shares.

8. Secured Party Appointed Attorney-in-Fact. The Pledgor hereby appoints the Secured Party as its attorney-in-fact, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Secured Party's discretion to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement. In its capacity as such attorney-in-fact, the Secured Party shall not be liable for any acts or omissions, nor for any error of judgment or mistake of fact or law, but only for bad faith, willful misconduct or gross negligence. This power, being coupled with an interest, is irrevocable.

9. Secured Party May Perform. If the Pledgor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Secured Party incurred in connection therewith shall be payable by the Pledgor in accordance with Section 13(b) hereof.

10. Secured Party's Duties. The powers conferred on the Secured Party hereunder are solely to protect its interests in the Pledged Collateral and shall not impose any duty to exercise any such powers. Except for the safe custody of any Pledged Collateral in its possession and the accounting for monies actually received by it hereunder, the Secured Party shall not have any duty as to any Pledged Collateral or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Collateral, except as provided under Section 12 hereof.

11. Default. "Event of Default" means:

(a) a default in payment of the amounts due and payable under the Note and the continuance of such default for 30 days after written notice thereof from Bentley to the Pledgor;

(b) any failure by the Pledgor to perform any of his obligations under this Agreement or any other agreement, instrument, or document evidencing or securing the Obligation;

(c) a filing of a voluntary by or involuntary petition of bankruptcy against the Pledgor and/or insolvency (however such insolvency may be evidenced) of the Pledgor; and

(d) any breach of any representation or warranty made by the Pledgor in connection with the transactions contemplated by this Agreement or any other agreement, instrument, or document evidencing or securing the Obligation.

12. Events of Default; Remedies. (a) If an Event of Default shall occur and be continuing, then the Secured Party may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to the Secured Party, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in the Commonwealth of Pennsylvania (the "Code"), including, without limitation, retaining ownership of the Pledged Collateral or transferring the Pledged Collateral in accordance with the Code and other applicable laws and agreements.

(b) The Pledgor agrees that at least fifteen days' notice to the Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall be given and shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(c) The Secured Party shall be authorized at any sale (if Secured Party deems it advisable to do so) which is subject to the Securities Act of 1933, as amended, and the rules and regulations thereunder (the "1933 Act"), or any state "Blue Sky" laws, to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Pledged Collateral for their own account in compliance with the 1933 Act, and to otherwise conduct such sale such that the registration of the offer and sale of the Pledged Collateral will not be required under the 1933 Act or any state "Blue Sky" laws. The Secured Party may take all such further acts as the Secured Party may reasonably deem necessary for compliance with any provision of law, even if such act might, whether by limiting the market or by adding to the costs of sale or otherwise, depreciate prices that might otherwise be obtained for the Pledged Collateral being sold or otherwise restrict the net proceeds available from the sale thereof. Upon consummation of any such sale, the Secured Party shall have the right to assign, transfer, endorse and deliver to the purchaser or purchasers thereof the Pledged Collateral so sold. Each such purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Pledgor, and the Pledgor hereby waives, to the extent permitted by law, all rights of stay or appraisal which the Pledgor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

(d) Any cash held by the Secured Party as Pledged Collateral and all cash proceeds received by the Secured Party in respect of any collection from, or other realization upon all or any part of the Pledged Collateral in the discretion of the Secured Party, may be held by the Secured Party as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Secured Party pursuant to Section 13 hereof) in whole or in part by the Secured Party against, all or any part of the Obligation in such order as the Secured Party shall elect. Any surplus of such cash or cash proceeds held by the Secured Party and remaining after payment in full of the Obligation shall be paid over to the Pledgor as its interest may appear or as a court of competent jurisdiction may direct.

13. Indemnity and Expenses.

(a) The Pledgor agrees to indemnify the Secured Party from and against any and all claims, losses and liabilities growing out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses, or liabilities resulting from the Secured Party's bad faith, willful misconduct or gross negligence.

(b) Upon the occurrence and during the continuance of an Event of Default, the Pledgor will upon demand pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the administration and enforcement of this Agreement, (ii) the custody or preservation of, collection from, or other realization upon, any of the Pledged Collateral, (iii) the exercise or enforcement of any of the rights of the Secured Party hereunder, or (iv) the failure by the Pledgor to perform or observe any of the provisions hereof.

14. Amendments, Indulgences, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Pledgor herefrom shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure or delay on the part of the Secured Party in the exercise of any right, power, or remedy under this Agreement shall constitute a waiver thereof, or prevent the exercise thereof in that or any other instance.

15. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing and shall be deemed to have been given when delivered, if hand-delivered or sent by nationally recognized overnight carrier, or when mailed, if sent by certified mail, return receipt requested and postage prepaid, to the following address:

If to the Secured Party:

Bentley Systems, Incorporated
685 Stockton Drive
Exton, PA 19341

If to the Pledgor:

201 Bentley Lane
East Fallowfield, PA 19320

All notices, offers, acceptances and other communications shall be deemed to have been sent, delivered and received and shall be legally effective for all purposes as of the time when they are mailed by certified mail, return receipt requested, or a nationally recognized express or overnight delivery or a hand-delivery to the person to whom such communication is directed.

16. Continuing Security Interest. This Agreement creates a continuing security interest in the Pledged Collateral and shall be binding upon the Pledgor, and its respective heirs, representatives, successors and assigns and inure to the benefit of the Secured Party and the Secured Party's legal representatives, successors, transferees and assigns. The execution and delivery of this Agreement shall in no manner impair or affect any other security (by endorsement or otherwise) for the payment of the Obligation and no security taken hereafter as security for payment or performance of the Obligation shall impair in any manner or affect this Agreement or the security interest granted hereby, all such present and future additional security to be considered as cumulative security. Any of the Pledged Collateral may be released from this Agreement without altering, varying, or diminishing in any way this Agreement or the security interest granted hereby as to the Pledged Collateral not expressly released, and this Agreement and such security interest shall continue in full force and effect as to all of the Pledged Collateral not expressly released.

17. Discharge of the Pledgor. At such time as all of the principal and interest on the Note shall have been fully paid and performed, then all rights and interests in such Pledged Collateral as shall not have been transferred or otherwise applied by the Secured Party pursuant to the terms hereof and shall still be held by the Secured Party shall forthwith be transferred and delivered to the Pledgor, and the right, title and interest of the Secured Party therein shall cease and the Secured Party shall (i) return to the Pledgor all certificates or other documents or instruments in the possession of Secured Party for purposes of the perfection of the security interest granted hereunder and (ii) if necessary and appropriate, prepare, execute and file with the appropriate governmental authorities termination statements on Form UCC-3.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to principles of conflicts of law. Unless otherwise defined herein, terms defined in the Code as in effect on the date hereof are used herein as therein defined as of such date.

19. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

20. Severability. The provisions of this Agreement are independent of and separable from each other, and no such provision shall be altered or rendered invalid or unenforceable by virtue of the fact that for any reason any other such provision may be invalid or unenforceable in whole or in part.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement, or caused this Agreement to be executed by a duly authorized representative, as of the date first above written.

PLEDGOR:

/s/ Gregory Bentley

Gregory Bentley

/s/ Caroline Bentley

Caroline Bentley

SECURED PARTY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Name: David Nation
Title: Senior Vice President

EXHIBIT 10.23

WAREHOUSE AND SHIPPING OUTSOURCING AGREEMENT

This Warehouse and Shipping Outsourcing Agreement (the "Agreement") is between Bentley Systems, Incorporated ("Bentley") and VideoRay, LLC. ("VideoRay"). This Agreement is effective as of October 1, 2001.

WHEREAS, Bentley wishes to contract with VideoRay for the provision of certain warehouse and shipping services that Bentley currently provides in-house, and VideoRay wishes to perform such services, on the terms set forth below.

THEREFORE, it is agreed that:

1. VideoRay will operate and assume all lease costs for Bentley's current warehouse space at 400 Eagleview Boulevard, Exton, PA 19341 (the "Warehouse") and continue the services to Bentley that are currently provided at the Warehouse.

2. The services to be provided to Bentley by VideoRay shall consist of the following (collectively, the "Services"):

   a. SHUTTLE RUNS: VideoRay will operate the shuttle with three (3) daily runs. The first at 10:30AM delivering inbound packages to all Bentley buildings. The second run at 2:00PM for pick up of outbound parcels. The third and final run at 4:00PM will continue as well for pick up at all buildings. Last minute requests after the last scheduled shuttle pick up can be processed as long as it is brought to the Warehouse by 5:30PM and requires less than one half hour of processing time. Carriers will generally not wait any later than 6:00PM for the final pick up of the day.

   b. ELECTRONIC REQUESTS: VideoRay will continue to fulfill electronic requests for items stocked in the warehouse such as CDs, brochures, and other collateral. The request form is currently located in "Outlook" under "Tools/Forms". Bentley must properly complete all information.

   c. PHYSICAL PACKAGES: VideoRay will continue to pick up packages for shipping at Bentley buildings. These shipments will be processed with a shipping request form (mentioned above) printed and securely attached to the parcel as well as being sent electronically to the Warehouse. As is the current situation, these shipments are to be placed in the outgoing bins and will be picked up by the shuttle team.

   d. INBOUND SHIPMENTS: VideoRay will coordinate delivery of inbound carrier (UPS, DHL, FEDEX, etc.) parcels manifested and delivered the same day they arrive. Each parcel will be delivered to the appropriate Bentley building based on the addressee name and/or department.

   e. SAP ORDERS: VideoRay will coordinate and fulfill Bentley requests for kits and other products ordered through SAP. All orders in the system by 5:00PM on a given day will be processed, shipped and entered into SAP (as shipped) by VideoRay on that same day. Orders received after 5:00PM will be processed, shipped and entered into SAP (as shipped) by VideoRay the next day. At

Bentley's reasonable request from time to time, typically at the end of Bentley's fiscal quarters, VideoRay will extend this 5:00 PM deadline until 11:00 PM.

f. SHIPMENT DATA: VideoRay will continue to retain all shipment data for tracking and tracing as well as A/P reconciliation. VideoRay will process carrier inquiries and handle any processing of claims that may arise.

g. FREIGHT SHIPMENTS: VideoRay will coordinate Bentley requests for LTL (less than truckload), truckload, and other bulk freight shipments. Most freight carriers require one (1) day notice to allow for a scheduled pick-up. This includes skidded shipments for trade shows and the use of carriers such as Target, USF Worldwide and DHL WorldFreight.

h. MAIL PROCESSING: VideoRay will coordinate daily USPS pick up and deliveries. USPS pick-up takes place at 1:00PM at the Warehouse. All mail picked up by VideoRay on the first two shuttle runs will be processed and dropped off in the mailboxes in the park. Mail picked up by VideoRay on the last shuttle run will be post marked the next morning and dropped into the postal system the next day.

i. VideoRay will provide all other Warehouse tasks that Bentley currently provides in-house, except UPS Ground shipments by Bentley employees for non-business purposes.

These include:

a. Processing of current level of customer product shipments
b. Processing and shipment of beta test items
c. Processing and shipment of Select CDs and related items
d. Processing of incoming shipments and logging delivery information into SAP to facilitate vendor payment.
e. Processing of outgoing shipments
f. Processing of mass mailings (contracting or doing in-house based on size, does not include mailing address data or label processing)
g. Shipment of Trade Show materials
h. Daily delivery and sorting of Bentley's Exton Employee mail
i. Daily delivery of cleaning and bathroom supplies currently stored in Bentley Building 1
j. Continuation and expansion of program to have incoming shipments charged to VideoRay's carriers for cost savings
k. Expansion of role in timing Trade Show and other expensive shipments to save money
l. Integration of Geopak shipments and implementation of significant cost savings
m. Negotiation of mailing equipment contracts and costs for American offices
n. Negotiation of favorable carrier rates that will further increase savings
o. Provide reasonable maintenance and service of Bentley's vehicles and other equipment used in providing the Services.

At Bentley's request from time to time, source vendors for materials, carriers and related arrangements (the costs of which are Bentley's responsibility hereunder) will be subject to Bentley's approval.

3. In order to provide the Services, VideoRay will assume all costs (wages and benefits) and management responsibility for these current Bentley employees (and one additional hire), who will continue as Bentley employees so long as they work under VideoRay's supervision to perform the Services.

   a. Clint Moyer
   b. Sharon Rutledge
   c. Jeff Erb
   d. one additional person to be hired to complete the staffing of the Warehouse

4. VideoRay will assume and bear full responsibility for paying:

   a. All rent and warehouse-related occupancy costs except as noted below.
   b. Payroll, medical expenses, workers compensation, unemployment insurance expenses for VideoRay employees and the Bentley employees described in paragraph 3. Where possible and practical, VideoRay will take advantage of Bentley's group rates, and Bentley will deduct the costs of these from its monthly payment.
   c. All equipment maintenance and service costs, except as noted below, including Bentley's cargo carrying vehicles, forklifts, mailing equipment, and other machines in the warehouse.
   d. Packaging supplies except for mailers and packaging for customer shipments (i.e. kits, Select CD mailers)
   e. Copier rental and supplies
   f. Telephone costs, if separable (and with additional $1000/month fee paid by Bentley)

5. Bentley will bear full responsibility for paying the following to the extent used for providing the Services:

   a. Actual carrier costs for shipments
   b. Computer network and technical support
   c. Telecommunications services, except as noted in 4(f) above
   d. Costs of product materials and inventory (which will continue to be Bentley's property).

6. Fees. Bentley will pay to VideoRay a monthly fee of $23,700. An additional $1,000 per month will be paid if telephone costs can be separated as contemplated in 4(f). VideoRay expenses noted in paragraph 4 above, which are funded by Bentley, will be deducted from the monthly fee paid by Bentley to VideoRay. Bentley will reimburse VideoRay for carrier costs for shipments; where VideoRay will bill Bentley weekly (Thursdays), and Bentley will pay VideoRay for those expenses by check on the following Monday. The parties agree that if the number of items in Bentley shipments,

measured from time to time as of the end of the last full calendar quarter, from October 1, 2001 through the end of the last full quarter included in the measurement is more than 15% higher than the number of such shipments for the corresponding period in the prior year, then the parties will reconsider the pricing agreed to for the shipping services under this Agreement.

7. Term. The term of this Agreement shall commence on October 1, 2001. At the end of August 2002, VideoRay will provide a summary of the performance of the Agreement to Bentley. The summary will outline the cost savings and the ongoing benefits to Bentley. This Agreement will terminate on December 31, 2002 unless extended by mutual agreement of the parties. If, during the term of this Agreement, Bentley finds an alternate source for the services contemplated herein at a greater level of services or at a lesser cost, Bentley may employ such alternative provider and renegotiate or terminate this Agreement with VideoRay.

8. Indemnification and Insurance. VideoRay shall indemnify, defend and hold harmless Bentley and its directors, officers, agents, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from any act, error, negligence or omission of VideoRay in the performance of this Agreement. Bentley shall indemnify, defend and hold harmless VideoRay and its directors, officers, agents and employees from and against all claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from any act, error, negligence or omission of Bentley in the performance of this Agreement. Bentley will maintain insurance on the Warehouse and Bentley's property in the Warehouse as required under the Warehouse lease from time to time.

9. General Provisions:

   a. Entire Agreement. This Agreement supersedes any and all agreements, either oral or written, between the parties with respect to the Services, and contains all covenants and agreements between the parties with respect to the Services. Any modification of this Agreement will be effective only if in writing signed by both parties.
   b. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or uneforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
   c. Assignment. In view of the nature of this Agreement, this Agreement may not be assigned by either party without the prior written consent of the other party.
   d. Notices. All notices to be given hereunder shall be by personal delivery in writing to the individuals signing this Agreement at their current business addresses.
   e. Waivers. Any delay or forbearance by either party in exercising any right hereunder shall not be deemed to be a waiver of that right.
   f. Governing law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws provision.

g. Force Majeure. Neither party will be liable to the other for failure under any obligation hereunder because of acts of God or other circumstances beyond the control of the affected party.

Bentley Systems, Incorporated	VideoRay, LLC
/s/ Malcolm Walter	/s/ Scott Bentley
By: Malcolm Walter	By: Scott Bentley
Title: C.O.O.	Title: President
Date: November 29, 2001	Date: November 29, 2001

EXHIBIT 10.24

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement") is entered into as of December 26, 2000 among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), and the several purchasers named in the attached Schedule 1 (individually, a "Purchaser" and collectively, the "Purchasers"), and, solely for purposes of Sections 4.1(b) and 4.2 of this Agreement, Raymond B. Bentley and Richard P. Bentley. (This Agreement and the Information and Registration Rights Agreement (the "Rights Agreement") attached hereto as Exhibit A are referred to herein as the "Agreements"). The parties hereby agree as follows:

1. PURCHASE AND SALE OF SECURITIES.

1.1 SALE AND ISSUANCE OF SECURITIES.

(a) The Company hereby represents to the Purchasers that the Company has duly adopted and filed with the Secretary of State of the State of Delaware a Certificate of Amendment to its Certificate of Incorporation, a copy of which is attached hereto as Exhibit B (the "Amended Certificate"), which is in full force and effect as of the date hereof.

(b) Subject to the terms and conditions of the Agreements, the Purchasers agree to purchase at the Closing (as defined in Section 1.2), and the Company agrees to sell and issue to each Purchaser, (i) the number of shares of the Company's Senior Class C Common Stock, par value $0.01 per share (the "Stock"), set forth opposite the name of such Purchaser under the heading "Number of Shares to be Purchased" on Schedule 1, and (ii) a Common Stock Purchase Warrant (the "Warrant") to purchase a number of shares of the Company's Class B Non-Voting Common Stock (the "Warrant Shares") set forth opposite the name of such Purchaser under the heading "Warrant Shares" on Schedule l, for the aggregate purchase price (the "Purchase Price") set forth opposite the name of such Purchaser under the heading "Aggregate Purchase Price" on Schedule 1. The Stock is convertible into shares of the Class B Non-Voting Common Stock, par value $0.01 per share (the "Class B Common Stock") (such shares, as adjusted in accordance with the terms of the Amended Certificate, are hereinafter referred to as the "Conversion Shares") upon the terms and conditions set forth in the Amended Certificate and shall have the rights and preferences set forth in the Amended Certificate.

1.2 CLOSING; DELIVERY.

(a) Initial Closing. The initial closing of the purchase and sale of the Stock and the Warrants pursuant to Section 1.1 hereof shall take place at the offices of Dechert, 4000 Bell Atlantic Tower, 1717 Arch Street, Philadelphia, Pennsylvania 19103, on December 26, 2000, or at such other location, date and time as may be agreed upon between the Purchasers and the Company (such closing being called the "Closing" and such date and time being called the "Closing Date"). The initial closing shall take place concurrently with the closings under (i) the Revolving Credit and Security Agreement (the "Revolving Credit Agreement") dated as of December 26, 2000 by and among PNC Bank, National Association, the Company, Bentley Software, Inc. and Atlantech Solutions, Inc. and (ii) the Asset Purchase Agreement (the

"Acquisition Agreement") dated as of December 26, 2000 between the Company and Intergraph Corporation ("Intergraph").

(b) Initial Closing Deliveries. At the Closing, the Company is delivering to each Purchaser: (i) a certificate representing the Stock being purchased, free and clear of all liens, claims and encumbrances (other than restrictions arising pursuant to this Agreement); (ii) the Warrant being purchased, free and clear of all liens, claims and encumbrances; (iii) a fully executed Rights Agreement; (iv) a legal opinion of Drinker Biddle and Reath LLP, (v) a certificate executed by an officer of the Company in form reasonably satisfactory to counsel to the Purchasers; (vi) a certificate executed by the Secretary of the Company in form reasonably satisfactory to counsel to the Purchasers; and (vii) a copy of the Amended Bylaws of the Company. At Closing, as payment in full for the Stock and the Warrant being purchased by it under this Agreement, and against delivery of the certificate and Warrant as aforesaid, each Purchaser is remitting the Purchase Price to the Company by wire transfer.

(c) Additional Closing. After the Closing Date and on or prior to March 31, 2001 the Company may hold one or more additional closings (each an "Additional Closing," and collectively the "Additional Closings") at which the Company may issue and sell (i) up to the number of shares of Stock equal to the difference between 150,000 and the aggregate number of shares of Stock previously sold on the Closing Date and, as applicable, on the date of any prior Additional Closing and (ii) Warrants to purchase a number of Warrant Shares equal to the difference between 2,080,000 Warrant Shares and the aggregate number of Warrant Shares underlying Warrants previously sold on the Closing Date and, as applicable, on the date of any prior Additional Closing. The sale of the Stock and Warrants pursuant to this Section 1.2(c) shall be on the same terms and conditions (including price) as the sale of the Stock and Warrants pursuant to Section 1.1. hereof and shall be effected by the execution by any investor of a counterpart signature page to this Agreement. Any investor purchasing Stock and Warrants pursuant to this Section 1.2(c) shall make such purchases in the same relative proportions as Stock and Warrants purchased pursuant to Section 1.1 hereof. Upon the execution of a counterpart signature page to this Agreement: (i) each such investor shall be deemed to be a Purchaser for all purposes of this Agreement and Schedule 1 shall be amended to include such Purchaser; and (ii) each such Additional Closing shall be deemed to be a Closing hereunder and the date of each such Additional Closing shall be a "Closing Date" hereunder. If necessary, the Company shall provide an updated Disclosure Statement to Purchasers purchasing in any Additional Closing.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY. Except as set forth on the Schedule of Exceptions included on the Disclosure Statement attached as Schedule 2, the Company hereby represents, warrants and covenants to each Purchaser that:

2.1 ORGANIZATION, GOOD STANDING AND QUALIFICATION. The Company and each Subsidiary (as defined in Section 2.2 hereof) is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of organization and has all requisite corporate power and authority and all necessary licenses and permits to own, lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted, and, as applicable, to enter into and perform its obligations under the Agreements. The Company and each Subsidiary is duly qualified to transact business and is in good standing

in each jurisdiction in which it is required to be so qualified, except where the failure to qualify could not reasonably be expected to have a material adverse effect on the Company.

2.2 SUBSIDIARIES. Set forth on Section 2.2 of the Disclosure Statement is a complete list of each corporation or other Person (as defined below) which the Company directly or indirectly controls and in which the assets and liabilities are consolidated in the Company's consolidated financial statements or in which the Company beneficially or of record owns, directly or indirectly, a majority of the capital stock, securities convertible into or exchangeable for capital stock or other equity or participating interest (each a "Subsidiary"), the jurisdiction in which each Subsidiary is organized and the Company's ownership interest in each such Subsidiary. Except as set forth on Section 2.2 of the Disclosure Statement, the Company does not have any Subsidiaries, nor does the Company directly or indirectly control or own (beneficially or of record) any capital stock, securities convertible into or exchangeable for capital stock or other equity or participating interest of any other entity. Except as otherwise specifically indicated, references herein to the Company include the Company and its Subsidiaries, taken as a whole. For purposes of this Agreement, the term "Person" shall mean any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity.

2.3 CAPITALIZATION.

(a) The authorized capital of the Company consists of:

(i) 1,552,450 shares of Series A Convertible Preferred Stock, par value $0.01 per share (the "Preferred Stock"), of which 1,552,450 shares are issued and outstanding. The 1,552,450 issued and outstanding shares of Preferred Stock are convertible into 1,552,450 shares of Class B Non-Voting Common Stock, par value $0.01 per share (the "Class B Common Stock").

(ii) 90,150,000 shares of common stock, consisting of 60,000,000 shares of Class A Voting Common Stock, par value $0.01 per share (the "Class A Common Stock"), of which 19,903,000 shares are issued and outstanding, 30,000,000 shares of the Class B Non-Voting Common Stock, par value $0.01 per share (the "Class B Common Stock"), of which 3,216,792 shares are issued and outstanding, and 150,000 shares of Senior Class C Common Stock, par value $0.01 per share (the "Senior Common Stock"), of which no shares are issued and outstanding (the Class A Common Stock, Class B Common Stock and Senior Common Stock are collectively referred to herein as the "Common Stock"). The Preferred Stock and the Common Stock are collectively referred to herein as the "Company Stock."

(b) Except as set forth in Section 2.3(b) of the Disclosure Statement, there are no outstanding securities of the Company and no options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, for the purchase or acquisition from the Company of any shares of its capital stock or other securities. All of the outstanding shares of the Common Stock have been duly authorized, are fully paid, are nonassessable and were issued in compliance with all applicable

federal and state securities laws. No shares of the Company Stock have been issued in violation of any statutory or contractual, preemptive or similar rights of any person and no person has any such rights with respect to the issuance of the Company Stock. The Company has reserved 10,000,000 shares of issuable Class B Common Stock for issuance upon conversion of the Senior Common Stock into the Conversion Shares. The Company has reserved sufficient shares of issuable Class B Common Stock for issuance upon the exercise of the Warrants for the Warrant Shares.

(c) The number of shares of Common Stock issuable upon exercise of any options, warrants or other rights is not subject to adjustment by reason of the issuance and sale of the Stock or the Warrants hereunder, or the issuance of the Conversion Shares. Except as otherwise contemplated or disclosed in the Agreements or as required by the options and warrants listed in Section 2.3(b) of the Disclosure Statement, no shares of Common Stock have been reserved by the Company for issuance.

(d) Except as set forth in Section 2.3(d) of the Disclosure Statement, the Company is not a party to or subject to any agreement or understanding and there is no agreement or understanding between or among any persons relating to the acquisition, disposition or repurchase of any of the Company Stock or that affects or relates to the voting or giving of written consents with respect to any security or the voting by a director of the Company.

(e) Each of the Bentleys, Intergraph and any other holder of at least five percent of the Fully Diluted Shares (prior to giving effect to the issuance of the Stock) (as defined in Section 4.1 (a) hereof) of the Company together with the number of shares owned is listed in Section 2.3(e) of the Disclosure Statement.

2.4 AUTHORIZATION. All corporate action on the part of the Company, its officers, directors and shareholders necessary for each of the following has been duly and validly taken prior to the Closing: (i) the authorization, execution and delivery of this Agreement, the Warrant and the Rights Agreement; (ii) the performance of all obligations of the Company hereunder and thereunder; (iii) the adoption and filing of the Amended Certificate; (iv) the authorization, issuance and delivery of the Stock; (v) the authorization, issuance and delivery of the Warrant; (vi) the authorization, issuance and delivery of (in accordance with the Warrant) the Warrant Shares; and (vii) the authorization, issuance and delivery of (in accordance with the Amended Certificate) the Conversion Shares. The Agreements, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (c) to the extent the indemnification and contribution provisions contained in the Agreements may be limited by applicable federal or state securities laws.

2.5 VALID ISSUANCE OF SECURITIES. The Stock, when issued, sold and delivered in accordance with the terms hereof for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than

restrictions on transfer under the Agreements and applicable state and federal securities laws. The Conversion Shares have been duly and validly authorized and reserved for issuance (and, except as is set forth in Section 6.5 hereof with respect to the Conversion Shares, no further corporate or other action is required for the issuance of the Stock or the Conversion Shares contemplated by this Agreement), and upon issuance in accordance with the terms of the Amended Certificate, shall be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Agreements and applicable federal and state securities laws. The Warrant Shares have been duly and validly authorized and reserved for issuance (and no further corporate or other action is required for the issuance of the Warrant Shares contemplated by this Agreement), and upon issuance in accordance with the terms of the Warrant, shall be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer, other than restrictions on transfer under this Agreement and the Warrant and applicable federal and state securities laws. The Stock and the Conversion Shares, when issued in compliance with the provisions of this Agreement and the Amended Certificate, will be free of any liens or encumbrances. The Warrant Shares, when issued in compliance with the provisions of this Agreement and the Warrant, will be free of any liens or encumbrances. Except as otherwise contemplated by this Agreement, neither the Stock, the Conversion Shares nor the Warrant Shares are subject to any preemptive rights or rights of first refusal except as have been waived or satisfied.

2.6 CONSENTS. Except as set forth on Section 2.6 of the Disclosure Statement, no consent, approval, permit, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental or regulatory authority or other person on the part of the Company is required in connection with the consummation of the transactions contemplated by the Agreements or the issuance of the Stock, the Warrant, the Conversion Shares as provided in the Amended Certificate or the Warrant Shares as provided in the Warrant, except for filings pursuant to applicable state securities laws and Regulation D of the Securities Act of 1933, as amended (the "Securities Act").

2.7 LITIGATION. Except as set forth in Section 2.7 of the Disclosure Statement there is no action, suit, proceeding, order, investigation or claim pending or, to the best of the Company's knowledge, currently threatened against the Company or, to the best of the Company's knowledge, any of its shareholders, directors or officers in their capacities as such. Except as set forth in Section 2.7 of the Disclosure Statement, no suit, proceeding, order, investigation or claim pending against the Company questions the validity of any of the Agreements or the right of the Company to enter into them, or to consummate the transactions contemplated hereby or thereby, or if adversely determined is likely to subject the Company to liability in excess of $100,000 or might otherwise be reasonably expected to result, either individually or in the aggregate, in any material adverse changes in the assets, condition, prospects or affairs of the Company, financially or otherwise, or any change in the current equity ownership of the Company; nor is the Company aware that there is any basis for the foregoing. The foregoing includes, without limitation, any actions pending or threatened involving the prior employment of any of the Company's employees or consultants, their use in connection with the Company's business of any information or techniques allegedly proprietary to any of its former or current employers, or the Company's obligations under any agreement with former or current employers. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

2.8 INTELLECTUAL PROPERTY.

(a) The Company is the owner of record in or is otherwise licensed to use all patents, patent rights and patent applications (collectively, the "Patents"), all trademarks, service marks, and all related applications for trademarks and service marks (collectively, the "Marks") and copyright registrations (collectively, the "Copyrights") listed in Section 2.8 of the Disclosure Statement. The Company is also the owner of all right, title and interest in and to, or otherwise has the right to use and distribute or sublicense (as the case may be), certain computer programs, software and proprietary computer programming language (collectively, the "Software") as listed in the Company's pricebooks, copies of the various Americas and European versions of which were previously provided to the Purchaser, and certain proprietary formulas, trade secrets, formulations and inventions generated by employees and consultants of the Company (collectively, the "Trade Secrets" and, together with the Patents, Marks, Copyrights and Software, the "Intellectual Property"). Except as otherwise specified in Section 2.8 of the Disclosure Statement, the Company is the owner or otherwise has the right to use all Intellectual Property material to the operations of the business of the Company as such is presently conducted, free and clear of any lien, security interest, restriction, or encumbrance. Except as otherwise specified in Section 2.8 of the Disclosure Statement, the rights of the Company in and to any of the Intellectual Property will not be limited or otherwise affected by reason of any of the transactions contemplated hereby.

(b) All employees and consultants of the Company involved with the development of any material Intellectual Property have entered into written agreements assigning to the Company all rights to such Intellectual Property, inventions, improvements, discoveries or information relating thereto.

(c) All of the Intellectual Property are in material compliance with applicable legal requirements (including, as applicable, payment of filing, examination and maintenance fees and proofs of working or use) and are valid and enforceable. To the best of the Company's knowledge, there are no patents, or trademarks or trademark applications pending that interfere or potentially interfere with any Patent or material Mark or any rights of the Company therein. Other than as set forth in Section 2.8 of the Disclosure Statement, the Company is unaware of any infringement of the Intellectual Property that would have a material adverse effect on the Company's business, and has not received written notice that any trademark, copyright, trade secret or patent has been infringed by any of the Intellectual Property. No material Mark or Patent is involved in any interference, reissue, re-examination, opposition, invalidation or cancellation proceeding and to the best of the Company's knowledge, no such proceeding is threatened. The Company is not aware of any basis for any claim by any third party that any of the Intellectual Property nor any products developed, manufactured, maintained, sold, licensed or distributed by the Company which incorporate or use the Software infringe any trademark, copyright, trade secret, patent or other similar right of any third party. The Company has taken commercially reasonable precautions to preserve and document its Trade Secrets and to protect the secrecy, confidentiality and value of its Trade Secrets. All documentation relating to registered Intellectual Property has been maintained only at the principal office of the Company.

2.9 TITLE TO PROPERTY AND ASSETS. Except as set forth on Section 2.9 of the Disclosure Statement (the "Real Property"), the Company does not own any real property. Except as set forth in Section 2.09 of the Disclosure Statement, the Company owns the Real Property and all other assets free and clear of all mortgages, liens, loans and encumbrances, except such encumbrances and liens that arise in the ordinary course of business and do not impair the Company's ownership or use of such property or assets.

2.10 LEASEHOLD INTERESTS. Each lease or agreement to which the Company is a party under which it is a lessee of any property, real or personal (collectively, the "Leases"), is a valid and subsisting agreement, duly authorized and entered into, without any default of the Company thereunder and, to the best of the Company's knowledge, without any default thereunder of any other party thereto. No event has occurred and is continuing which, with due notice or lapse of time or both, would constitute a default or event of default by the Company under any material Lease or, to the best of the Company's knowledge, by any other party thereto. The Company's possession of such property has not been disturbed and, to the best of the Company's knowledge after due inquiry, no claim has been asserted against the Company adverse to its rights in such leasehold interests. The Company is in compliance with all Leases in all material respects and holds a valid leasehold interest in all of its leased property free of any liens, claims or encumbrances.

2.11 COMPLIANCE MATTERS. The Company is not in violation or default of any provisions of its Amended Certificate or Amended Bylaws, or in any material respect of any instrument, agreement, judgment, order, writ, decree or contract to which it is a party or by which it is bound or of any provision of any federal, state or local law, statute, ordinance, order, writ, decree, rule or regulation applicable to the Company, and no event has occurred that with notice or passage of time would create any such default or violation. Except as set forth in Section 2.11 of the Disclosure Statement, or to the extent agreements, waivers or consents set forth in Section 2.11 of the Disclosure Statement have been obtained, the execution, delivery and performance of the Agreements and the consummation of the transactions contemplated hereby or thereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time or giving of notice, either a default or breach under any such provision, instrument, agreement, judgment, order, writ, decree or contract or an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or which gives to any third person any rights with respect to any of the Company's assets.

2.12 AGREEMENTS; ACTIONS.

(a) Except as set forth in Section 2.12 of the Disclosure Statement, there are no agreements, understandings or proposed transactions between the Company and any of its officers, directors, affiliates, or any affiliate thereof. The Company is not indebted, directly or indirectly, to any of its officers or directors or to their respective spouses or children, in any amount whatsoever other than in connection with expenses or advances of expenses or compensation incurred in the ordinary course of business or relocation expenses of employees. Except as set forth in Section 2.12 of the Disclosure Statement, none of the Company's officers or directors, or any members of their immediate families, is indebted to the Company (other than in connection with purchases of the Company Stock) or, to the Company's knowledge, has any direct or indirect ownership interest in any firm or corporation with which the Company is

affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company, except that officers, directors and/or shareholders of the Company may own stock in publicly traded companies that may compete or have business relationships with the Company. Except as set forth in Section 2.12 of the Disclosure Statement, to the best of the Company's knowledge, no officer or director or any member of their immediate families is, directly or indirectly, interested in any material contract with the Company.

(b) Except for this Agreement and agreements contemplated or disclosed by the Agreements, the Disclosure Statement and the Company's financial statements and related notes thereto referred to in Section 2.16 below, there are no agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party or by which it is bound that satisfy the requirements of Item 601(b) of Regulation S-K as promulgated by the Securities and Exchange Commission.

(c) The Company has not engaged in the past 6 months in any discussion (i) with any representative of any corporation or corporations or other person or entity regarding the merger of the Company with or into any such corporation person or entity, (ii) with any corporation, partnership, association or other business entity or any individual regarding the sale, conveyance or disposition of all or substantially all of the assets of the Company or a transaction or series of related transactions in which more than 50% of the voting power of the Company is disposed of, or (iii) regarding any other form of liquidation, dissolution or winding up of the Company.

2.13 DISCLOSURE.

(a) The Company has provided each Purchaser with the information that the Purchaser has requested for deciding whether to acquire the Stock and the Warrant. No representation or warranty of the Company contained in this Agreement, the Disclosure Statement or the Company's financial statements and related notes thereto contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

(b) Except as described in this Agreement or referred to in the Company's financial statements and notes thereto, to the best of the Company's knowledge, there is no fact or development with respect to the markets, products, services, clients, customers, facilities, computer software, databases, personnel, vendors, suppliers, operations, assets or prospects of the business of the Company that is reasonably likely to materially adversely affect the business, operation or prospects of the Company, other than such conditions as may affect as a whole the economy generally. For purposes of this Agreement, "to the best of the Company's knowledge" shall mean any information actually known or that, with the exercise of reasonable diligence, should have been known by any officer of the Company.

2.14 RIGHTS OF REGISTRATION. Except as set forth in Section 2.14 of the Disclosure Statement and as contemplated in the Rights Agreement, the Company has not granted or agreed to grant to any person or entity, and no person or entity has, any registration rights, including piggyback rights.

2.15 PRIVATE PLACEMENT. Subject in part to the truth and accuracy of each Purchaser's representations set forth in this Agreement, the offer, sale and issuance of the Stock, the Warrant, the Conversion Shares and the Warrant Shares, as contemplated by this Agreement, are exempt from the registration requirements of the Securities Act and from the qualification requirements of applicable state and other securities laws.

2.16 FINANCIAL STATEMENTS. The Company has delivered to the Purchaser its audited balance sheet as of December 31, 1999 and the related audited consolidated statements of income and cash flow for the twelve months ended December 31, 1999 and its unaudited balance sheet as of September 30, 2000 (the "Balance Sheet") and the related unaudited consolidated statements of income and cash flow for the nine months ended September 30, 2000. All such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated ("GAAP") and fairly present the financial condition and operating results of the Company as of and for the periods set forth therein in accordance with GAAP, consistently applied, except that the Balance Sheet may not contain all footnotes required by GAAP, and is subject to normal recurring year end adjustments. Except as set forth in the Balance Sheet and the related notes thereto, the Company has no material liabilities, contingent or otherwise, other than (a) current liabilities (as defined by GAAP) incurred in the ordinary course of business subsequent to September 30, 2000 and (b) obligations under contracts and commitments incurred in the ordinary course of business that are not required: (i) under GAAP to be reflected on the Balance Sheet, or (ii) to be disclosed pursuant to Statement of Financial Accounting Standards No.5.

2.17 EVENTS SUBSEQUENT TO THE DATE OF THE BALANCE SHEET. Except as set forth in Section 2.17 of the Disclosure Statement, since September 30, 2000, the Company has not:

(i) declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock; (ii) entered into any agreement not in the ordinary course of business; (iii) incurred any indebtedness for money borrowed other than pursuant to its existing bank credit facilities or incurred any other liabilities outside of the ordinary course of business individually in excess of $500,000 or in excess of $1,000,000 in the aggregate; (iv) made any loans or advances to any person, other than ordinary advances for travel expenses; (v) sold, exchanged or otherwise disposed of any of its assets or rights, in the ordinary course of business; (vi) entered into any employment, severance or similar arrangement with any shareholder, director or executive officer of the Company; (vii) incurred or become subject to any material liabilities (absolute or contingent) except current liabilities incurred, and liabilities under contracts entered into, in the ordinary course of business; (viii) mortgaged, pledged or subjected to lien, charge or any other encumbrance any of its assets, tangible or intangible; (ix) sold, leased, licensed, assigned or transferred any of its tangible or intangible assets, including without limitation, any Intellectual Property or canceled any debts or obligations except, in each case, in the ordinary course of business; (x) suffered any extraordinary losses, or waived any rights of substantial value (whether or not in the ordinary course of business); (xi) made any changes in officer compensation except for annual increases consistent with past practices; (xii) entered into any material transaction other than in the ordinary course of business; (xiii) made any change in any of its material contracts, its Certificate of Incorporation or Bylaws (except as contemplated hereby), or in any arrangements or

agreements of any nature relating to its officers and directors, (xiv) declared, set aside or paid or otherwise distributed in respect of the Company Stock, or directly or indirectly redeemed, purchased or acquired any of such stock or made any payments to any holder of 5% or more of the Company's outstanding Common Stock other than salary paid to such shareholder for bona fide services rendered in the ordinary course of business or payments to Intergraph Corporation in the ordinary course of business; or (xv) otherwise experienced any material adverse change in its assets, financial condition or results of operation.

2.18 TAX RETURNS AND PAYMENTS. The Company has timely filed all tax returns and reports as required by law, except where the failure to so file could not reasonably be expected to have a material adverse effect on the Company. These returns and reports are true and correct in all material respects and reflect all taxes required to be paid by the Company for the periods stated therein. The Company has paid all taxes and other assessments shown to be due by the Company on such returns and reports; and no tax liens have been filed and no claims are being asserted with respect to any such taxes, fees or other charges. Except as set forth in Section 2.18 of the Disclosure Statement, no tax returns or reports of the Company are under audit.

2.19 ASSUMPTIONS, GUARANTEES, ETC. OF INDEBTEDNESS OF OTHER PERSONS. The Company has not assumed, guaranteed, endorsed or otherwise become directly or contingently liable on any indebtedness of any other person (including, without limitation, liability by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds to or otherwise invest in the debtor, or otherwise to assure the creditor against loss) other than with respect to its Subsidiaries and their operations, except for guaranties by endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

2.20 INSURANCE. The Company has in full force and effect fire and casualty insurance policies, with extended coverage, sufficient in amount (subject to reasonable deductibles) to allow it to replace any of its properties that might be damaged or destroyed.

2.21 LABOR AGREEMENTS AND ACTIONS. The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union has requested or, to the best of the Company's knowledge, has sought to represent any of the employees, representatives or agents of the Company. There is no strike or other labor dispute involving the Company pending, or to the best of the Company's knowledge, threatened, which could have a material adverse effect on the assets, properties, prospects, financial condition, operating results, or business of the Company (as such business is presently conducted and as it is proposed to be conducted), nor is the Company aware of any labor organization activity involving its employees. The Company is not aware that any officer or Key Employee (as defined below), or that any group of Key Employees, intends to terminate his, her or their employment with the Company or any Subsidiary, nor does the Company or any Subsidiary have a present intention to terminate the employment of any of the foregoing. To the best of the Company's knowledge, it is not a party to any contracts relating to employment providing for severance payments in excess of 6 months compensation except for such contracts providing for severance compensation not exceeding $500,000 in the aggregate for all such contracts. For purposes of this Agreement, "Key Employee" shall mean Gregory S. Bentley, Keith A. Bentley,

Barry J. Bentley, Raymond P. Bentley and Richard P. Bentley (each, a "Bentley" and collectively, the "Bentleys"), David G. Nation and Malcolm S. Walter.

2.22 PENSION AND PROFIT SHARING PLANS. Each of the Company's U.S. "employee pension benefit plans" (as defined in Section 3(2) of ERISA) (the "Pension Benefit Plans"), that is intended to be qualified for favorable tax treatment as most recently amended, is (and from its establishment has been) the subject of a favorable determination letter issued by the Internal Revenue Service with respect to its qualification under Section 401 of the Internal Revenue Code of 1986, as amended (the "Code"), or an application for such determination has been filed or will be filed within the applicable remedial amendment period. The Company has made full payment of all amounts it is required, under applicable law or the terms of each of the Company's Pension Benefit Plans, to have contributed thereto before the Closing (including any employee salary deferral contributions described in Section 125 or Section 401(k) of the Code) for all periods through and including the close of the last plan year prior to the Closing, or proper accruals for such contributions have been made and are reflected on its Balance Sheet and books and records. There is not now, and has never been, any violation of the Code or ERISA with respect to the filing of applicable reports, documents, and notices regarding the Company's Pension Benefit Plans with the U.S. Department of Labor and the Internal Revenue Service, or the furnishing of such documents to the participants or beneficiaries of the Company's Pension Benefit Plans. There has been no violation of the "continuation coverage requirements" of "group health plans" as set forth in Section 4980B of the Code and Part 6, Subtitle B of Title I of ERISA with respect to any of the Company's insurance policies or self-insured programs to which such continuation coverage requirements apply.

2.23 PERMITS. The Company has all franchises, permits, licenses and all other similar authorities necessary for the conduct of its business as now being conducted, the lack of which could materially or adversely affect the business, properties, prospects or financial condition of the Company and believes that it can obtain, without undue burden or expense, any similar authority for the conduct of its business as planned to be conducted. The Company is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

2.24 ENVIRONMENTAL COMPLIANCE. The Company has not caused or allowed, or contracted with any party for, the generation, use, transportation, treatment, storage or disposal of any Hazardous Substances (as defined below) in connection with the operation of its business or otherwise except in accordance with applicable law and such that no investigation, remediation or other response action is required to be undertaken with respect thereto. To the best of the Company's knowledge, the Company, the operation of its business, and any real property that the Company owns, leases or otherwise occupies or uses (the "Premises") are in compliance with all applicable Environmental Laws (as defined below) and orders or directives of any governmental authorities having jurisdiction under such Environmental Laws, including, without limitation, any Environmental Laws or orders or directives with respect to any cleanup or remediation of any release or threat of release of Hazardous Substances. The Company has not received any material citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit, relating to an alleged violation of an Environmental Law or the presence, release or threat of release of Hazardous Substances from any person arising out of the ownership or occupation of the Premises, or the conduct of its

operations, and the Company is not aware of any basis therefor. The Company has obtained and is maintaining in full force and effect all necessary permits, licenses and approvals required by all Environmental Laws applicable to the Premises and the business operations conducted thereon (including operations conducted by tenants on the Premises), and is in material compliance with all such permits, licenses and approvals. The Company has not caused or allowed a release, or a threat of release, of any Hazardous Substance unto, at or near the Premises, and, to the best of the Company's knowledge, neither the Premises nor any property at or near the Premises has ever been subject to a release, or a threat of release, of any Hazardous Substance except in accordance with all Environmental Laws and such that no investigation, remediation or other response action is required to be undertaken with respect thereto. For the purposes of this Agreement, the term "Environmental Laws" shall mean any Federal, state or local law or ordinance or regulation pertaining to the protection of human health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq., the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Sections 11001, et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq. For purposes of this Agreement, the term "Hazardous Substances" shall include oil and petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde and any other materials classified as hazardous or toxic under any Environmental Laws.

2.25 USE OF PROCEEDS. The proceeds from the sale of the Stock and the Warrants will be used by the Company for general corporate purposes for the conduct of the Company's business, to pay the fees and expenses incident to this Agreement and to pay the purchase price to be paid by the Company in connection with the acquisition of certain businesses currently owned by Intergraph.

2.26 BOOKS AND RECORDS AND ACCOUNTING CONTROLS.

(a) The stock records of the Company fairly and accurately reflect the record ownership of all of the outstanding shares of the Common Stock and Preferred Stock of the Company. The books and records of the Company, including its minute books, financial records and books of account, are complete and accurate in all material respects and have been maintained in accordance with sound business practices. Complete and accurate copies, as of the date hereof, of all such minute books and stock books have been made available to each Purchaser. No material corporate action has been taken on the part of the Board of Directors of the Company (the "Board") or any committee of the Board, nor has any action been taken on the part of the stockholders of the Company as such, which is not recorded in such minute books.

(b) To the best of the Company's knowledge, neither the Company nor any director, officer, agent, employee, consultant or other person associated with or acting on behalf of the Company (including, without limitation any stockholder), has (i) used any corporate funds for any unlawful contributions, gifts, entertainment or any other unlawful expenses relating to political activity or (ii) made any direct or indirect unlawful payments to government officials or others from corporate funds or established or maintained any unlawful or unrecorded funds.

(c) The Company keeps accurate books and records reflecting its assets, liabilities, expenses and income and maintains internal accounting controls that provide reasonable assurance that (i) transactions are executed in accordance with management's authorization; (ii) transactions are recorded as necessary for preparation of the Company's financial statements and to maintain accountability for earnings and assets of the Company; (iii) access to assets is permitted only in accordance with management's authorization; (iv) the recorded accountability of all assets is compared with existing assets at reasonable intervals; (v) all intercompany transactions, charges and expenses among or between the Company, or any affiliate of the Company are accurately reflected in all financial statements; and (vi) the Company is in compliance in all material respects with the Foreign Corrupt Practices Act of 1977, as amended.

2.27 CUSTOMERS AND SUPPLIERS. Other than Intergraph, no customer or supplier of the Company that has accounted for more than 5% of the sales or 5% of the purchases, respectively, of the Company during the last 12 months, has terminated or materially reduced, or has given notice that it intends to terminate or materially reduce, the amount of business done with the Company. The Company is not aware of any such intention on the part of any such customer or supplier, whether or not in connection with the transactions contemplated in this Agreement. The Company is not aware of any pending or potential price increases that will or may be initiated by any supplier that is reasonably likely to have a material adverse effect on the Company.

2.28 PIDA FINANCING. All of the Company's financing provided pursuant to agreements with the Pennsylvania Industrial Development Authority ("PIDA") may be prepaid in full without penalty or premium.

2.29 BROKERS OR FINDERS; OTHER OFFERS. The Company has not incurred, and it will not incur, directly or indirectly, as a result of any action taken by the Company, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement.

2.30 REVOLVING CREDIT AGREEMENT. The representations and warranties of the Company contained in the Revolving Credit Agreement are true and correct in all material respects. The closing under the Revolving Credit Agreement is occurring concurrently with the initial Closing under this Agreement. The Company is not and, after giving effect to the transactions contemplated hereby and thereby, will not be, in default under the provisions of the Revolving Credit Agreement. The Company has delivered a copy of the executed Revolving Credit Agreement to counsel to the Purchasers.

2.31 ACQUISITION AGREEMENT. The representations and warranties of the Company contained in the Acquisition Agreement and true and correct in all material respects. To the best of the Company's knowledge, the representations and warranties of Intergraph in the Acquisition Agreement are true and correct in all material respects. The closing under the Acquisition Agreement is occurring concurrently with the initial Closing under this Agreement. The Company has delivered a copy of the executed Acquisition Agreement to counsel to the Purchasers.

3. REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS. Each Purchaser hereby represents and warrants to the Company that:

3.1 AUTHORIZATION. The Purchaser has full power and authority to enter into the Agreements and, when executed and delivered by the Purchaser, the Agreements will constitute valid and legally binding obligations of the Purchaser, enforceable in accordance with their terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and any other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of a specific performance, injunctive relief or other equitable remedies, and (c) to the extent the indemnification provisions contained in the Agreements may be limited by applicable federal or state securities laws.

3.2 PURCHASE FOR OWN ACCOUNT. The Purchaser represents that the Stock and the Warrant to be acquired by the Purchaser will be acquired for investment for the Purchaser's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that the Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Stock or the Warrant. The Purchaser has not been formed for the specific purpose of acquiring the Stock or the Warrant.

3.3 DISCLOSURE OF INFORMATION. The Purchaser has been given access to such financial and other information concerning the Company as the Purchaser considers material for deciding whether to acquire the Stock and the Warrant, has had an opportunity to discuss the Company's business, management, financial affairs and the terms and conditions of the offering of the Stock and the Warrant with the Company's management and has had an opportunity to review the Company's facilities and to ask questions of and request information from the Company. The Purchaser understands that such discussions, as well as the written information issued by the Company, were intended to describe the aspects of the Company's business which the Purchaser believes to be material.

3.4 INVESTMENT EXPERIENCE. The Purchaser acknowledges that it is able to bear the economic risk of its investment and has sufficient knowledge and experience in financial and business matters to evaluate the merits and risk of its investment in the Stock and the Warrant.

3.5 RESTRICTED SECURITIES. The Purchaser understands that the Stock (and the Conversion Shares) and the Warrant (and the Warrant Shares) have not been registered under the Securities Act, and have been sold to the Purchaser by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Purchaser's representations as expressed herein. The Purchaser understands that the Stock (and the Conversion Shares) and the Warrant (and the Warrant Shares) are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering, and that under such laws and applicable regulations the Stock (and

the Conversion Shares) and the Warrant (and the Warrant Shares) may be resold without registration under the Securities Act only in certain limited circumstances. The Purchaser acknowledges that the Stock (and the Conversion Shares) and, upon exercise of the Warrant, the Warrant Shares must be held indefinitely unless subsequently registered under the Securities Act or an exemption from such registration is available. The Purchaser is aware of the provisions of Rule 144 promulgated under the Securities Act, which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale occurring not less than one year after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in transactions directly with a "market maker" (as provided by Rule 144(f)) and the number of shares being sold during any 3 month period not exceeding specified limitations.

3.6 NO PUBLIC MARKET. The Purchaser understands that no public market now exists for any of the securities issued by the Company, and that the Company has given no assurances that a public market will ever exist for the Stock, the Conversion Shares, the Warrant or the Warrant Shares.

3.7 LEGENDS. The Purchaser understands that the Stock (and the Conversion Shares), the Warrant and, upon exercise of the Warrant, the Warrant Shares, and any securities issued in respect thereof or exchange therefor, may bear one or all of the following legends:

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISPOSITION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER SUCH ACT."

(b) Any legend required by the laws (including, without limitation, the Blue Sky laws), of any state to the extent such laws are applicable to the shares represented by the certificate so legended.

3.8 ACCREDITED INVESTOR. The Purchaser is an "Accredited Investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act.

3.9 BROKERS OR FINDERS. The Purchaser has not incurred, and it will not incur, directly or indirectly, as a result of any action taken by the Purchaser, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement.

4. RESTRICTIONS ON TRANSFERABILITY OF STOCK AND CONVERSION SHARES; RIGHT OF CO-SALE; PREEMPTIVE RIGHTS.

4.1 RESTRICTIONS ON TRANSFERABILITY OF STOCK AND CONVERSION SHARES; PUT RIGHT.

(a) TRANSFER OF STOCK. Except as set forth in Section 4.1(b), prior to the consummation of an IPO (as defined below), the Purchaser shall not sell or transfer (a "Transfer") (other than in connection with a sale of all or substantially all of the assets of the Company or a merger of the Company that results in the Company's stockholders immediately prior to such transaction holding less than 50% of the voting power of the surviving, continuing or purchasing entity (such sale or merger a "Liquidity Event")) any Company Stock to any person or group (as used in Rule 13d-1 under the Securities and Exchange Act of 1934, as amended (the "Exchange Act")) who, immediately following such Transfer (and assuming conversion of the Stock and exercise of the Warrants) would, to the Purchaser's knowledge, after reasonable inquiry to the Company, beneficially own 20% or more of the Company's Fully Diluted Shares (as defined below) (an "Ineligible Purchaser"). Any Permitted Transferee must agree in writing to be bound by the terms and conditions applicable to the Purchaser or a Permitted Transferee under Section 4 of this Agreement, and all agreements executed in connection herewith, prior to the occurrence of any Transfer of the Company Stock, the Conversion Shares or the Warrant Shares. For purposes of this Agreement, a "Permitted Transferee" means any Person that becomes the record or beneficial owner of the Company Stock, the Conversion Shares or the Warrant Shares directly or indirectly a result of Transfer from the Purchaser in accordance with and as permitted by this Agreement. "Fully Diluted Shares" means all shares of Common Stock outstanding at the applicable time plus all shares of Common Stock immediately issuable upon the exercise or conversion of options, warrants, rights, convertible securities (including the Preferred Stock and the Stock) and similar instruments (collectively, the "Stock Rights") outstanding at the applicable time. "IPO" means the Company's first underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act covering the offer and sale to the public for the account of the Company of any class or series of common stock or other equity security of the Company.

(b) TRANSFER BY THE BENTLEYS. Except in connection with a sale of the Company by merger or otherwise, prior to the consummation of an IPO, the Bentleys hereby agree not to: (i) Transfer any Company Stock to an Ineligible Purchaser (other than another Bentley); or (ii) Transfer any Company Stock to any transferee unless such transferee agrees in writing not to Transfer the Company Stock prior to the consummation of an IPO, to an Ineligible Purchaser.

(c) ADDITIONAL STOCK. Prior to the consummation of an IPO, the Purchaser shall not acquire any Company Stock or other securities (or any rights or interest therein) of the Company (such securities, the "Employee Securities") from any current or former employee of the Company except in compliance with this Section 4.1(c). Before a Purchaser may acquire any Employee Securities, the Purchaser must give to the Company a written notice signed by the Purchaser (the "Purchaser's Notice") stating (a) the Purchaser's bona fide intention to acquire such Employee Securities and the name and address of the proposed transferor; (b) the

number of shares of such Employee Securities; and (c) the bona fide cash price or, in reasonable detail, other consideration, per share for which the Purchaser proposes to acquire such Employee Securities (the "Offered Price"). Upon the request of the Company, the Purchaser will promptly furnish information to the Company as may be reasonably requested to establish that the offer and transferor are bona fide. The Company has the right of first refusal to purchase all of such Employee Securities, if the Company gives written notice of the exercise of such right to the Purchaser within sixty calendar days after the date of its receipt of the Purchaser's Notice to the Company (the "Company's Refusal Period"). The purchase price for such Employee Securities to be purchased by the Company exercising its right of first refusal under this section will be the Offered Price multiplied by the number of shares of Employee Securities to be purchased by the Company, and will be payable as set forth in this section. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Board in good faith. Payment of the purchase price for such Employee Securities purchased by the Company exercising its right of first refusal will be made within thirty days after the end of the Company's Refusal Period. Payment of the purchase price will be made in cash (by check or wire transfer at the option of the Company). If the Company has elected not to purchase all of such Employee Securities, the Purchaser may purchase all of such Employee Securities at the Offered Price or at a higher price; provided that such purchase (i) is consummated within one hundred twenty calendar days of the date of the Purchaser's Notice, (ii) is on terms no more favorable to the Purchaser than the terms proposed in the Purchaser's Notice, and (iii) is in accordance with all the terms of this Agreement. If the Employee Stock is not so purchased during such one hundred twenty day period, then the Purchaser may not consummate such purchase without complying again in full with the provisions of this Section 4.1(c).

(d) VOTING AGREEMENTS. Prior to the consummation of an IPO, the Purchaser and its affiliates (other than the Bentleys) shall not grant a proxy or otherwise enter into a written agreement to act in concert with any person or group (as defined above) for the purpose of effecting or attempting to effect a change in control of the Company; provided, however, that nothing herein shall prevent Purchaser from taking any action on its own behalf as a shareholder (including voting on any matter or responding to a tender offer for Company Stock).

4.2 RIGHT OF CO-SALE.

(a) EQUIVALENT TERMS. So long as any of the Stock, the Warrants or Conversion Shares or Warrant Shares are outstanding, and except as provided in Section 4.2(b), (i) the Purchaser shall have the right of co-sale (the "Co-Sale Rights") so that if a Bentley enters into an agreement to sell, in a private transaction, more than 40% of his direct or indirect equity interest in the Company (as of the date of Closing) to a third party, Purchaser shall have the right to participate in such sale on a pro-rata basis (such that the Purchaser shall have the right to sell to such third party an amount of shares of Stock and Conversion Shares and Warrant Shares equal to the product of the number of shares of Stock and Conversion Shares and Warrant Shares then owned by the Purchaser divided by the sum of the number of shares of Stock and Conversion Shares and Warrant Shares then owned or purchasable by the Purchaser and the number of shares of Common Stock of the Company then owned or purchasable by such Bentley multiplied by the number of shares of capital stock proposed to be sold to such third party) on the

same terms and conditions, and (ii) notwithstanding the foregoing, the Bentleys (collectively) shall not sell more than 20% of the Company Stock owned by them collectively, or sell any shares where the purchaser would thereafter own more than 20% of the Company's Fully Diluted Shares, unless such transaction also includes an offer for the same price per share (and the same type of consideration and payment terms) for 100% of the Stock and Conversion Shares and Warrant Shares.

(b) TRANSFERS NOT SUBJECT TO RIGHT OF CO-SALE. The foregoing restrictions shall not apply to any Transfers made among the Bentleys or for either estate planning purposes or subsequent to the death of a Bentley, provided that the purchaser of such shares shall agree to be subject to the agreement regarding transferability and voting in place among the Bentleys at the time of such transfer or death.

4.3 PREEMPTIVE RIGHTS.

(a) OFFERING OF SECURITIES. So long as any of the Stock or the Warrant or Conversion Shares or Warrant Shares are outstanding, and except as provided in Section 4.3(d), the Company shall not issue any equity security unless it first offers in writing to sell to each Purchaser its pro rata share of any proposed issue of equity security, at the same price and on the same terms at which the Company proposes to sell such issue to others. For purposes hereof, a Purchaser's pro rata share of an issue of equity securities shall be that percentage of such issue that is equal to that percentage of its ownership, assuming full conversion of the Stock and full exercise of the Warrant, of the Company's Fully Diluted Shares. The term "equity security" when used in this Section 4.3 shall mean any stock of the Company, or any security convertible, with or without consideration, into stock, or any security carrying any warrant, option, or right to subscribe to, or to purchase any stock, or any such warrant, option, or right.

(b) NOTICE OF OFFERING. The Company's offer shall describe the equity security proposed to be issued by the Company, specifying the quantity, the price and payment terms. The Purchaser shall have ten business days from receipt of such offer to accept the offer, which acceptance shall be in writing and may be as to all or any part of its pro rata share of such issue. Sale of the portion of the equity securities subscribed for hereunder shall be held on the same date(s) as the final sale of the applicable equity securities by the Company to other purchasers.

(c) SALE TO THIRD PARTIES. If the Purchaser does not subscribe for all of the issue of the equity securities offered to it pursuant to this Section 4.3, the Company may sell the portion of the securities not subscribed for, together with the portion of such issue of securities not subject to preemptive rights under Section 4.3, at a price no less favorable to the Company than that specified in such offer and on payment terms no less favorable to the Company than those specified in such offer. However, if such sale is not consummated within 90 days after the date the offer pursuant to this Section was made, the Company shall not sell such securities without again complying with this Section.

(d) ISSUANCES SUBJECT TO PREEMPTIVE RIGHTS. The preemptive rights granted in Section 4.3(a) shall only apply to the issuance of any issue of equity securities by the

Company in connection with any equity or equity related cash financing other than an IPO or sales to Company employees under stock option or benefit plans.

5. INDEMNIFICATION.

5.1 INDEMNIFICATION BY COMPANY. The Company shall indemnify and hold each Purchaser and its officers, directors, employees, agents, representatives, shareholders, partners and members harmless against and in respect of any and all losses, costs, expenses, claims, damages, obligations and liabilities, including interest, penalties and reasonable attorneys fees and disbursements (the "Damages"), which such Purchaser may suffer, incur or become subject to arising out of, based upon or otherwise in respect of: (a) any inaccuracy in or breach of any representation or warranty of the Company made in or pursuant to the Agreements or any other agreement or document required to be delivered pursuant to the Agreements (the "Transaction Documents") or (b) any breach or non-fulfillment of any covenant, agreement or obligation of the Company contained in the Agreements or any Transaction Document.

5.2 INDEMNIFICATION BY THE PURCHASERS. Each Purchaser shall indemnify and hold the Company, its officers, directors, employees, agents, representatives and shareholders harmless against and in respect of any and all Damages which the Company may suffer, incur or become subject to arising out of, based upon or otherwise in respect of: (a) any inaccuracy in or breach of any representation or warranty of such Purchaser made in or pursuant to the Agreements or any Transaction Document; or (b) any breach or non-fulfillment of any covenant, agreement or obligation of such Purchaser contained in the Agreements or any Transaction Document.

5.3 INTER-PARTY CLAIMS. Any party seeking indemnification pursuant to this Section (the "Indemnified Party") shall notify the other party or parties from whom such indemnification is sought (the "Indemnifying Party") of the Indemnified Party's assertion of such claim for indemnification, specifying the basis of such claim. The Indemnified Party shall thereupon give the Indemnifying Party reasonable access to the books, records and assets of the Indemnified Party that evidence or support such claim or the act, omission or occurrence giving rise to such claim and the right, upon prior notice during normal business hours, to interview any appropriate personnel of the Indemnified Party related thereto.

5.4 THIRD PARTY CLAIMS.

(a) Each Indemnified Party shall promptly notify the Indemnifying Party of the assertion by any third party of any claim made against such Indemnified Party with respect to which the indemnification set forth in this Section relates (which shall also constitute the notice required by Section 5.3). In such event, the Indemnifying Party shall have the right, upon notice to the Indemnified Party within 10 business days after the receipt of any such notice, to undertake the defense of or, with the consent of the Indemnified Party (which consent shall not unreasonably be withheld), to settle or compromise such claim.

(b) The election by the Indemnifying Party, pursuant to Section 5.4(a), to undertake the defense of a third-party claim shall not preclude the party against which such

claim has been made also from participating or continuing to participate in such defense, so long as such party bears its own legal fees and expenses for so doing.

6. MISCELLANEOUS.

6.1 OFFERING EXPENSES. Contemporaneously herewith, the Company shall pay all of each Purchaser's out-of-pocket, legal and due diligence expenses (including without limitation, fees and expenses of each Purchaser's consultants and accountants) incurred in connection with the negotiation, execution and consummation of the Agreements.

6.2 PIDA NEGOTIATIONS. The Company shall use its best efforts to obtain any consents, waivers or acknowledgments from PIDA necessitated by the Company's entering into the transactions contemplated herein.

6.3 BOARD OF DIRECTORS. (a) After the initial Closing, and prior to (i) the aggregate Purchase Price received by the Company pursuant to this Agreement reaching $15 million or (ii) the Class C Redemption Amount (as defined in Section (B)4(f) of the Certificate of Incorporation of the Company) of the Stock issued on the date hereof reaching $10 million, as long as there is Stock outstanding, the Company shall permit a representative of the holders of the Stock (which representative shall be selected by the vote of the holders of a majority of the shares of the Stock, which holders shall, for the purposes of such vote, not include the Bentleys or holders controlled by the Bentleys) (the "Observer") to attend each meeting of the Board and each meeting of any committee of the Board as a non-voting observer; provided, however, that the Company reserves the right to exclude the Observer from access to any material or meeting or portion thereof if the Company believes that such exclusion is reasonably necessary to preserve the attorney-client privilege and, provided, further, that the Observer agrees to keep all materials and other information received by him or her confidential. The Company shall give the Observer the same notice of meeting and other materials that are given to the directors, including copies of minutes of each meeting.

(b) In addition to the rights granted under Section 6.3(a), after (i) the aggregate Purchase Price received by the Company pursuant to this Agreement has reached $15 million or (ii) the Class C Redemption Amount (as defined in Section (B)4(f) of the Certificate of Incorporation of the Company) of the Stock issued on the date hereof has reached $10 million, and as long as there is Stock outstanding, the Company shall permit a representative of the holders of the Stock (which representative shall be selected by the vote of the holders of a majority of the shares of the Stock, which holders shall, for the purposes of such vote, not include the Bentleys or holders controlled by the Bentleys) (the "Member") to serve as a member of the Board and as a member of the compensation and audit committees of the Board and as a member of any other committees of the Board that are created and maintained after the date hereof. In no event shall the Member be a Bentley.

(c) The Company shall reimburse the Observer and the Member for all out-of-pocket expenses related to attendance at Board meetings, Company events (including major national or international trade shows pertaining to the Company) or other Company business.

6.4 USE OF PROCEEDS. The Company agrees that it will use the proceeds from the sale of the Stock and the Warrants for general corporate purposes for the conduct of the Company's business, to pay the fees and expenses incident to the Agreement and to pay the purchase price to be paid by it in connection with the acquisition of certain businesses currently owned by Intergraph Corporation.

6.5 CONVERSION SHARES. The Company will use its best efforts to authorize and reserve for issuance sufficient Conversion Shares in connection with the conversion of the Stock, including using its best efforts to cause the amendment of the Certificate of Incorporation of the Company if such an amendment is necessary.

6.6 COMPENSATION. As long as any shares of the Stock are outstanding, no Bentley shall be paid cash compensation for services rendered to the Company except: (a) base salary in an amount no greater than the base salary in effect during the 2000 calendar year, with such increases from time to time as may be approved by the vote of the holders of a majority of the shares of the Stock (which holders shall, for the purposes of such vote, not include the Bentleys or holders controlled by the Bentleys); (b) payments under the deferred compensation plan in effect prior to the date hereof and described in the second paragraph of footnote 8 to the 1999 audited financial statements of the Company; and (c) payments of accrued incentive bonuses under the Company's 20% special bonus plan described in the first paragraph of footnote 8 to the 1999 audited financial statements of the Company consistent with past practices of the Company; provided that without the prior written consent of the holders of a majority of the shares of the Stock (which holders shall, for the purposes of such consent, not include the Bentleys or holders controlled by the Bentleys), the Company shall not pay any Bentley any bonus from the special bonus plan for any quarter in which: (i)(A) the Company has failed to fulfill its redemption obligations under Section (B)4(d)(i) of the Certificate of Incorporation of the Company or (B) the Company has failed to redeem all the additional amounts that it has an option to redeem under Section (B)4(d)(ii) of the Certificate of Incorporation of the Company or (ii) if the payment of such bonuses for a particular quarter would prevent the Company from being able to fulfill its mandatory and optional redemption obligations for that same quarter under Section (B)4(d) of the Certificate of Incorporation of the Company. Bonuses that are payable in a quarter from the plan referred to in (c) above but which are not paid because of this Section 6.6 may be paid in that quarter or in subsequent quarters; provided that the Company has obtained the prior written consent to such payments of the holders of a majority of the shares of the Stock (which holders shall, for the purposes of such consent, not include the Bentleys or holders controlled by the Bentleys). The Purchasers acknowledge that payments and decisions to make payments of quarterly redemption amounts referenced by this section shall not be considered related party transactions, notwithstanding the interests of the Bentleys, under the bylaws of the Company.

6.7 CLASS C REDEMPTION AMOUNT. The Company shall deliver to each Purchaser, within forty-five (45) days after the end of each calendar quarter, a report setting forth the Class C Redemption Amount related to the Stock held by each such Purchaser as of the end of such quarter.

6.8 SURVIVAL OF WARRANTIES. Unless otherwise set forth in this Agreement, the warranties and representations of the Company and the Purchaser contained in or made

pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing through and including the second anniversary of this Agreement; provided that the representations and warranties of the Company set forth in Sections 2.19 and 2.25 shall continue and survive thereafter for the period corresponding to the applicable statute of limitations.

6.9 TRANSFER; SUCCESSORS AND ASSIGNS. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Each Purchaser may transfer or assign its rights and obligations under this Agreement to any of its constituent partners or a Permitted Transferee; provided, that any transferee or assignee must agree in writing to be bound by the terms and conditions of Section 4 of this Agreement, and all agreements executed in connection herewith, prior to such transfer or assignment.

6.10 GOVERNING LAW. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

6.11 COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

6.12 TITLES AND SUBTITLES; CONSTRUCTION. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. This Agreement shall be construed without regard to incidents of authorship or negotiation.

6.13 NOTICES. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or one day after sent via reputable national overnight courier addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice, in accordance with this Section 6.13.

To the Company: To the Company's President at the Company's address as set forth on the signature page hereto, with a copy (which shall not constitute notice) to its General Counsel at such address and to:

Drinker Biddle & Reath LLP
One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103
Attention: Samuel Mason, Esquire
Telephone: 215.988.2642
Facsimile: 215.988.2757

To a Purchaser: At each Purchaser's address as set forth on the signature page hereto, with a copy to:

Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103
Attention: Carmen J. Romano, Esquire
Telephone: 215.994.2971
Facsimile: 215.994.2222

6.14 AMENDMENTS AND WAIVERS. Any term of this Agreement may be amended with the mutual written consent of the Company and the Required Holders (as defined below); provided, however, that no amendment of this Agreement shall become effective without the consent of any party hereto whose rights hereunder are adversely affected by such amendment; and further provided, however, that no amendment or waiver of Section 6.6 hereof shall become effective without the consent of all the parties hereto. Any amendment or waiver effected in accordance with this Section 6.14 shall be binding upon each Purchaser and each Permitted Transferee of the Stock (or the Conversion Shares), each future holder of all such securities, the Company and the Company's successors and permitted assigns. "Required Holders" shall mean holders of a majority of the shares of the Stock, including at least one of Cristobal Conde, David Ehret and Robert Greifeld.

6.15 SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

6.16 ENTIRE AGREEMENT. This Agreement and the Exhibits and Schedules hereto constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the parties hereto are expressly canceled.

6.17 DELAYS OR OMISSIONS. No delay or omission to exercise any right, power or remedy accruing to any party to this Agreement, upon any breach or default of the other party, shall impair any such right, power or remedy of such non-breaching party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in 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.

The parties have executed this Securities Purchase Agreement as of the date first written above.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Name: David Nation
Title: Senior Vice President
Address: 690 Pennsylvania Drive
Exton, PA 19341-1136
Telephone: (610) 458-5000
Facsimile: (610) 458-1060

PURCHASERS:

/s/ Gregory S. Bentley

Gregory S. Bentley

Address: 201 Bentley Lane
East Fallowfield, PA 19320

/s/ Keith A. Bentley

Keith A. Bentley

Address: 100 Morningside Drive
Elverson, PA 19520

/s/ Barry J. Bentley

Barry J. Bentley

Address: 281 Grove Road
Elverson, PA 19520

/s/ Cristobal Conde

Cristobal Conde

Address: 560 Lexington Avenue
9th Floor
New York, NY 10022

/s/ David W. Ehret

David Ehret

Address: 530 Walnut Street
Suite 450
Philadelphia, PA

/s/ Robert Greifeld

Robert Greifeld

Address: 812 Knollwood Terrace
Westfield, NJ 07090

The undersigned, intending to be legally bound hereby, are executing this Securities Purchase Agreement solely to join in and be bound by Sections 4.1(b) and 4.2.

/s/ Raymond B. Bentley

Raymond B. Bentley

/s/ Richard P. Bentley

Richard P. Bentley

SCHEDULE 1

Purchaser	Number of Shares to be Purchased	Warrant Shares	Aggregate Purchase Price
Gregory S. Bentley	27,500	381,333.35	$2,750,000
Keith A. Bentley	5,000	69,333.33	$ 500,000
Barry J. Bentley	5,000	69,333.33	$ 500,000
Cristobal Conde	12,500	173,333.33	$1,250,000
David Ehret	12,500	173,333.33	$1,250,000
Robert Greifeld	12,500	173,333.33	$1,250,000
	75,000	1,040,000	$7,500,000

EXHIBIT 10.25

AMENDMENT TO SECURITIES PURCHASE AGREEMENT

AMENDMENT TO SECURITIES PURCHASE AGREEMENT dated as of July 2, 2001 (the "Amendment"), by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley and Cristobal Conde, David Ehret and Robert Greifeld.

Background

1. On December 26, 2000, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with the several purchasers named in Schedule I attached thereto (the "First Tranche Purchasers") and Raymond B. Bentley and Richard P. Bentley for certain limited purposes specified therein, with respect to the Company's sale and the First Tranche Purchasers' purchase of an aggregate 75,000 shares of Senior Class C Common Stock of the Company (the "Class C Common Stock") and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 shares of Class B Non-Voting Common Stock of the Company (the "Warrant Shares"). The aggregate price of the shares of Class C Common Stock and Warrant Shares so purchased and sold was $7.5 million.

2. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company had the right and option to sell up to an aggregate 75,000 additional shares of Class C Common Stock and 1,040,000 additional Warrant Shares in one or more closings on or prior to March 31, 2001.

3. The parties hereto desire to amend Section 1.2(c) of the Securities Purchase Agreement in accordance with Section 6.14 of the Securities Purchase Agreement to extend the date by which the additional Class C Common Stock and additional Warrant Shares may be sold under said Section 1.2(c) to the date set forth in this Amendment.

NOW, THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, agree as follows:

Section 1. Amendment. The first sentence of Section 1.2(c) of the Securities Purchase Agreement is hereby amended by deleting "March 31, 2001" and replacing it with "September 30, 2001."

Section 2. Securities Purchase Agreement in Full Force and Effect as Amended. Except as specifically amended hereby, all of the terms and conditions of the Securities Purchase Agreement shall remain in full force and effect. All references to the Securities Purchase Agreement in any other document or instrument shall be deemed to mean such Securities Purchase Agreement as amended by this Agreement. The parties hereto agree to be bound by the terms and obligations of the Securities Purchase Agreement, as amended by this Amendment, as though the terms and obligations of the Securities Purchase Agreement were set forth herein.

Section 3. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 4. Governing Law. This Amendment is made pursuant to, and shall be construed and enforced in accordance with, the laws of the State of Delaware, irrespective of the principal place of business, residence or domicile of the parties hereto, and without giving effect to otherwise applicable principles of conflicts of law.

Section 5. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Securities Purchase Agreement.

[signature page follows]

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

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation
_____
Name: David G. Nation
Title: Senior Vice President

/s/ Gregory S. Bentley
_____
Gregory S. Bentley

/s/ Keith A. Bentley
_____
Keith A. Bentley

/s/ Barry J. Bentley
_____
Barry J. Bentley

/s/ David Ehret
_____
David Ehret

/s/ Christobal Conde
_____
Christobal Conde

_____
Robert Greifeld

JOINDER TO SECURITIES PURCHASE AGREEMENT

THIS JOINDER TO SECURITIES PURCHASE AGREEMENT (this "Joinder Agreement") is made as of this 2nd day of July, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Malcolm S. Walter and Argosy Investment Partners II, L.P., a Delaware limited partnership (together with Malcolm S. Walter, the "Purchasers"). All initially capitalized terms used but not otherwise defined in this Joinder Agreement shall have the meanings given to such terms in the Securities Purchase Agreement (as such term is hereinafter defined).

BACKGROUND

1. On December 26, 2000, the Company entered into the Securities Purchase Agreement (the "Securities Purchase Agreement") with the several purchasers named in Schedule I attached thereto (the "First Tranche Purchasers") and Raymond B. Bentley and Richard P. Bentley for certain limited purposes specified therein, with respect to the Company's sale and the First Tranche Purchasers' purchase of an aggregate 75,000 shares of the Senior Class C Common Stock of the Company (the "Class C Shares") and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 shares of Class B Non-Voting Common Stock of the Company ("Class B Shares"). The aggregate price of the Class C Shares and warrants so purchased and sold was $7.5 million.

2. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company had the right and option to sell up to an aggregate 75,000 additional Class C Shares and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 additional Class B Shares (collectively, the "Second Tranche") in one or more closings on or prior to March 31, 2001.

3. PNC Bank, National Association and, in accordance with Section 6.14 of the Securities Purchase Agreement, the Company and the Required Holders, have consented in writing on or prior to the date hereof to the amendment of Section 1.2(c) of the Securities Purchase Agreement to extend the date for the closing of the sale of additional Class C Shares and Common Stock Purchase Warrants to on or prior to September 30, 2001 (the "SPA Amendment").

4. The Company and the Purchasers desire to sell and purchase, respectively, an aggregate 26,000 Class C Shares and Common Stock Purchase Warrants to purchase 360,533.3 Class B Shares on the date hereof. Such sale and purchase shall be an Additional Closing under the Securities Purchase Agreement. In order to effect such transaction, the Purchasers desire to join in the Securities Purchase Agreement in accordance with Section 1.2(c) thereof.

NOW THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1.1 Joinder. In connection with the purchase by him or it of the number of Class C Shares and Common Stock Purchase Warrants to purchase the number of Class B Shares indicated on Schedule I attached hereto, each of the Purchasers hereby acknowledges and agrees that, effective as of the date hereof, he or it shall be added as a party to the Securities Purchase Agreement, as amended by the SPA Amendment, and shall be bound by all provisions of the Securities Purchase Agreement, as so amended, to the same extent as each of the First Tranche Purchasers.

1.2 Disclosure Statement. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company has provided the Purchasers with a Disclosure Statement dated the date hereof and attached hereto as Exhibit A, which Disclosure Statement shall serve as the Disclosure Statement related to the Additional Closing to which this Joinder Agreement relates.

1.3 Financial Statements. The Company has delivered to the Purchasers its audited balance sheet as of December 31, 2000 and the related audited consolidated statements of income and cash flow for the twelve months ended December 31, 2000 and its unaudited balance sheet as of March 31, 2001 (the "Balance Sheet") and the related unaudited consolidated statements of income and cash flow for the three months ended March 31, 2001. All such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated ("GAAP") and fairly present the financial condition and operating results of the Company as of and for the periods set forth therein in accordance with GAAP, consistently applied, except that the Balance Sheet may not contain all footnotes required by GAAP, and is subject to normal recurring year end adjustments. Except as set forth in the Balance Sheet and the related notes thereto, the Company has no material liabilities, contingent or otherwise, other than (a) current liabilities (as defined by GAAP) incurred in the ordinary course of business subsequent to March 31, 2001 and (b) obligations under contracts and commitments incurred in the ordinary course of business that are not required: (i) under GAAP to be reflected on the Balance Sheet, or (ii) to be disclosed pursuant to Statement of Financial Accounting Standards No.5.

1.4 Counterparts. This Joinder Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Joinder Agreement by signing any such counterpart.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Joinder Agreement to be executed as of the date first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

PURCHASERS:

ARGOSY INVESTMENT PARTNERS II, L.P.

By: Argosy Associates II, L.P., its General Partner

By: Argosy Associates II, Inc., its General Partner

By: /s/ Kirk B. Griswold

Name: Kirk B. Griswold
Title: Vice President

__xxxxxxxxxxxxxxxxx_____
Gregory S. Bentley

/s/ Malcolm Walter

Malcolm Walter

[Signature Page to Joinder to Securities Purchase Agreement]

SCHEDULE I
TO JOINDER AGREEMENT

Purchaser	Shares of Senior Class C Common Stock	Warrants to Purchase Shares of Class B Non-Voting Common Stock	Aggregate Purchase Price
Argosy Investment Partners II, L.P.	25,000	346,666.67	$2,500,000
Malcolm Walter	1,000	13,866.67	$100,000

JOINDER AND AMENDMENT TO SECURITIES PURCHASE AGREEMENT

THIS JOINDER AND AMENDMENT TO SECURITIES PURCHASE AGREEMENT (this "Joinder and Amendment Agreement") is made as of this 18th day of August, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Gabriel Norona, Francisco Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack (collectively, the "Purchasers"), and for purposes of consenting to the amendment set forth herein, Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Cristobal Conde, David Ehret, Robert Greifeld, Malcolm S. Walter and Argosy Investment Partners II, L.P. All initially capitalized terms used but not otherwise defined in this Joinder and Amendment Agreement shall have the meanings given to such terms in the Securities Purchase Agreement (as such term is hereinafter defined).

BACKGROUND

1. On December 26, 2000, the Company entered into the Securities Purchase Agreement (the "Securities Purchase Agreement") with the several purchasers named in Schedule I attached thereto (the "Initial Purchasers") and Raymond B. Bentley and Richard P. Bentley for certain limited purposes specified therein, with respect to the Company's sale and the Initial Purchasers' purchase of an aggregate 75,000 shares of the Senior Class C Common Stock of the Company (the "Class C Shares") and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 shares of Class B Non-Voting Common Stock of the Company ("Class B Shares"). The aggregate price of the Class C Shares and warrants so purchased and sold was $7.5 million.

2. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company had the right and option to sell up to an aggregate 75,000 additional Class C Shares and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 additional Class B Shares in one or more closings on or prior to June 30, 2001.

3. On July 2, 2001 (a) the Securities Purchase Agreement was amended ("SPA Amendment No. 1") to extend the date for the closing of the sale of additional Class C Shares and Common Stock Purchase Warrants to on or prior to September 30, 2001 and (b) Argosy Investment Partners II, L.P. and Malcolm S. Walter (the "Second Round Purchasers") joined in the Securities Purchase Agreement in connection with their purchase of an aggregate 26,000 Class C Shares and Common Stock Purchase Warrants to purchase up to an aggregate 360,533.3 Class B Shares. The aggregate price of the Class C Shares and warrants so purchased and sold was $2.6 million.

4. The Company and the Purchasers desire to sell and purchase, respectively, an aggregate 35,000 Class C Shares and Common Stock Purchase Warrants to purchase 485,333 Class B Shares on the date hereof. Such sale and purchase shall be an Additional Closing under the Securities Purchase Agreement. In order to effect such transaction, the Purchasers desire to join in the Securities Purchase Agreement in accordance with Section 1.2(c) thereof.

5. The Company also desires hereby to further amend the Securities Purchase Agreement to re-define the stockholders who shall, pursuant to Section 6.6 of the Securities Purchase Agreement, be excluded from voting with respect to certain cash compensation that may be paid by the Company to the Bentleys. In accordance with Section 6.14 of the Securities Purchase Agreement, all parties thereto must consent in writing to an amendment to such Section 6.6.

NOW THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1.1 Joinder. In connection with the purchase by him of the number of Class C Shares and Common Stock Purchase Warrants to purchase the number of Class B Shares indicated on Schedule I attached hereto, each of the Purchasers hereby acknowledges and agrees that, effective as of the date hereof, he shall be added as a party to the Securities Purchase Agreement, as amended by SPA Amendment No. 1 and as further amended by this Joinder and Amendment Agreement, and shall be bound by all provisions of the Securities Purchase Agreement, as so amended, to the same extent as each of the Initial Purchasers and the Second Round Purchasers, except for Section 6.1 relating to payment of the Purchasers' expenses by the Company. The payment of the Purchasers' expenses shall instead be governed by Section 10.2 of the Agreement and Plan of Merger, dated as of the date hereof, among the Company, GP Acquisition Sub, Inc. and the Purchasers.

1.2 Disclosure Statement. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company has provided the Purchasers with a Disclosure Statement dated the date hereof and attached hereto as Exhibit A, which Disclosure Statement shall serve as the Disclosure Statement related to the Additional Closing to which this Joinder and Amendment Agreement relates.

1.3 Financial Statements. The Company has delivered to the Purchasers its audited balance sheet as of December 31, 2000 and the related audited consolidated statements of income and cash flow for the twelve months ended December 31, 2000 and its unaudited balance sheet as of June 30, 2001 (the "Balance Sheet") and the related unaudited consolidated statements of income and cash flow for the six months ended June 30, 2001. All such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated ("GAAP") and fairly present the financial condition and operating results of the Company as of and for the periods set forth therein in accordance with GAAP, consistently applied, except that the Balance Sheet may not contain all footnotes required by GAAP, and is subject to normal recurring year end adjustments. Except as set forth in the Balance Sheet and the related notes thereto, the Company has no material liabilities, contingent or otherwise, other than (a) current liabilities (as defined by GAAP) incurred in the ordinary course of business subsequent to June 30, 2001 and (b) obligations under contracts and commitments incurred in the ordinary course of business that are not required: (i) under GAAP to be reflected on the Balance Sheet, or (ii) to be disclosed pursuant to Statement of Financial Accounting Standards No.5.

1.4 Amendment.

(a) Section 6.6 of the Securities Purchase Agreement is hereby amended by deleting "Bentleys" from each of the parenthetical clauses in such Section 6.6 and replacing that term with "Insiders," so that each such parenthetical clause reads as follows:

> "(which holders shall, for the purposes of such vote, not include the Insiders or holders controlled by the Insiders) . . ."

(b) Section 6.6 is hereby amended by adding the following as the final sentence of such Section:

> "For purposes hereof, `Insiders' means the Bentleys together with (i) any persons who are employees of the Company or any of its subsidiaries on the date such person first acquires shares of Stock, (ii) any persons who acquire shares of Stock within thirty (30) days of becoming employees of the Company or any of its subsidiaries, and (iii) the immediate family members of any persons referred to in subclauses (i) or (ii)."

(c) Except as specifically amended hereby, all of the terms and conditions of the Securities Purchase Agreement, as previously amended by SPA Amendment No. 1, shall remain in full force and effect. All references to the Securities Purchase Agreement in any other document or instrument shall be deemed to mean such Securities Purchase Agreement as amended by SPA Amendment No. 1 and this amendment. The parties hereto agree to be bound by the terms and obligations of the Securities Purchase Agreement, as amended by SPA Amendment No. 1 and this amendment, as though the terms and obligations of the Securities Purchase Agreement were set forth herein.

1.5 Counterparts. This Joinder and Amendment Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Joinder and Amendment Agreement by signing any such counterpart.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Joinder and Amendment Agreement to be executed as of the date first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

PURCHASERS:

/s/ Gabriel Norona

Gabriel Norona

/s/ Francisco Norona

Francisco Norona

/s/ Richard D. Bowman

Richard D. Bowman

/s/ Andrew Panayotoff

Andrew Panayotoff

/s/ Orestes Norat

Orestes Norat

/s/ Robert Cormack

Robert Cormack

[Signature Page 1 of 2 to Joinder and Amendment to Securities Purchase Agreement]

The undersigned, in accordance with Section 6.14 of the Securities Purchase Agreement, hereby consent to the amendment to Section 6.6 of the Securities Purchase Agreement set forth in this Joinder and Amendment Agreement as of the date first above written.

/s/ Gregory S. Bentley

Gregory S. Bentley

/s/ Keith A. Bentley

Keith A. Bentley

/s/ Barry J. Bentley

Barry J. Bentley

/s/ Cristobal Conde

Cristobal Conde

Robert Greifeld

/s/ David Ehret

David Ehret

/s/ Malcolm S. Walter

Malcolm S. Walter

ARGOSY INVESTMENT PARTNERS II, L.P.
By: Argosy Associates II, L.P., its General Partner
By: Argosy Associates II, Inc., its General Partner

By: /s/ Kirk B. Griswold

Name: Kirk B. Griswold, Vice President

[Signature Page 2 of 2 to Joinder and Amendment to Securities Purchase Agreement]

SCHEDULE I
TO JOINDER AGREEMENT

Purchaser	Shares of Senior Class C Common Stock	Warrants to Purchase Shares of Class B Non-Voting Common Stock
Gabriel Norona	20,574	285,293
Francisco Norona	3,835	53,176
Richard D. Bowman	3,475	48,181
Andrew Panayotoff	2,770	38,416
Orestes Norat	2,770	38,416
Robert Cormack	1,576	21,851

JOINDER TO SECURITIES PURCHASE AGREEMENT

THIS JOINDER TO SECURITIES PURCHASE AGREEMENT (this "Joinder Agreement") is made as of this 18th day of September, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Gabriel Norona and Francisco Norona (collectively, the "Purchasers"). All initially capitalized terms used but not otherwise defined in this Joinder Agreement shall have the meanings given to such terms in the Securities Purchase Agreement (as such term is hereinafter defined).

BACKGROUND

1. On December 26, 2000, the Company entered into the Securities Purchase Agreement (the "Securities Purchase Agreement") with the several purchasers named in Schedule I attached thereto (the "Initial Purchasers") and Raymond B. Bentley and Richard P. Bentley for certain limited purposes specified therein, with respect to the Company's sale and the Initial Purchasers' purchase of an aggregate 75,000 shares of the Senior Class C Common Stock of the Company (the "Class C Shares") and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 shares of Class B Non-Voting Common Stock of the Company ("Class B Shares"). The aggregate price of the Class C Shares and warrants so purchased and sold was $7.5 million.

2. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company had the right and option to sell up to an aggregate 75,000 additional Class C Shares and Common Stock Purchase Warrants to purchase up to an aggregate 1,040,000 additional Class B Shares in one or more closings on or prior to June 30, 2001.

3. On July 2, 2001 (a) the Securities Purchase Agreement was amended to extend the date for the closing of the sale of additional Class C Shares and Common Stock Purchase Warrants to on or prior to September 30, 2001 and (b) Argosy Investment Partners II, L.P. and Malcolm S. Walter (the "Second Round Purchasers") joined in the Securities Purchase Agreement in connection with their purchase of an aggregate 26,000 Class C Shares and Common Stock Purchase Warrants to purchase up to an aggregate 360,533.3 Class B Shares. The aggregate price of the Class C Shares and warrants so purchased and sold was $2.6 million.

4. On the date hereof (a) the Company is acquiring Geopak Corporation, a Florida corporation ("Geopak"), through the merger of Geopak into a wholly owned subsidiary of the Company (the "Merger"), (b) in partial consideration of the Merger, the Company is issuing an aggregate 35,000 Class C Shares to the stockholders of Geopak (the "Stockholders") including the Purchasers, and (c) the Stockholders and the Company are entering into a Joinder and Amendment to Securities Purchase Agreement with respect to such purchase and sale of the 35,000 Class C Shares.

5. The Company and the Purchasers desire to sell and purchase, respectively, an additional aggregate 5,000 Class C Shares on the date hereof. Such sale and purchase shall be an

Additional Closing under the Securities Purchase Agreement. In order to effect such transaction, the Purchasers desire to join in the Securities Purchase Agreement in accordance with Section 1.2(c) thereof.

NOW THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1.1 Joinder. In connection with the purchase by him of the number of Class C Shares indicated on Schedule I attached hereto, each of the Purchasers hereby acknowledges and agrees that, effective as of the date hereof, he shall be added as a party to the Securities Purchase Agreement, as amended through the date hereof, and shall be bound by all provisions of the Securities Purchase Agreement, as so amended, to the same extent as each of the Initial Purchasers, the Second Round Purchasers and the Stockholders, except for Section 6.1 relating to payment of the Purchasers' expenses by the Company. The payment of the Purchasers' expenses shall instead be governed by Section 10.2 of the Agreement and Plan of Merger, dated as of the date hereof, among the Company, GP Acquisition Sub, Inc. and the Stockholders.

1.2 Disclosure Statement. Pursuant to Section 1.2(c) of the Securities Purchase Agreement, the Company has provided the Purchasers with a Disclosure Statement dated the date hereof and attached hereto as Exhibit A, which Disclosure Statement shall serve as the Disclosure Statement related to the Additional Closing to which this Joinder Agreement relates.

1.3 Financial Statements. The Company has delivered to the Purchasers its audited balance sheet as of December 31, 2000 and the related audited consolidated statements of income and cash flow for the twelve months ended December 31, 2000 and its unaudited balance sheet as of June 30, 2001 (the "Balance Sheet") and the related unaudited consolidated statements of income and cash flow for the six months ended June 30, 2001. All such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated ("GAAP") and fairly present the financial condition and operating results of the Company as of and for the periods set forth therein in accordance with GAAP, consistently applied, except that the Balance Sheet may not contain all footnotes required by GAAP, and is subject to normal recurring year end adjustments. Except as set forth in the Balance Sheet and the related notes thereto, the Company has no material liabilities, contingent or otherwise, other than (a) current liabilities (as defined by GAAP) incurred in the ordinary course of business subsequent to June 30, 2001 and (b) obligations under contracts and commitments incurred in the ordinary course of business that are not required: (i) under GAAP to be reflected on the Balance Sheet, or (ii) to be disclosed pursuant to Statement of Financial Accounting Standards No.5.

1.4 Counterparts. This Joinder Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Joinder Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Joinder Agreement to be executed as of the date first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

PURCHASERS:

/s/ Gabriel Norona

Gabriel Norona

/s/ Francisco Norona

Francisco Norona

[Signature Page 1 of 1 to Joinder to Securities Purchase Agreement]

SCHEDULE I
TO JOINDER AGREEMENT

Purchaser	Shares of Senior Class C Common Stock	Purchase Price
Gabriel Norona	2,500	$250,000
Francisco Norona	2,500	$250,000

Exhibit 10.27

AMENDED AND RESTATED

INFORMATION AND REGISTRATION RIGHTS AGREEMENT

This Amended and Restated Information and Registration Rights Agreement (the "Agreement") is made as of December 26, 2000, by and between Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Bachow Investment Partners III, L.P., a Delaware limited partnership or any other entity as to which any affiliate of Bachow & Associates, Inc. is the general partner (the "Initial Stockholder"), the financial institutions party to the Revolving Credit Agreement (as defined below) (the "Lenders"), PNC Bank, National Association as agent for the Lenders (the "Agent") and the persons listed as Senior Common Stock Purchasers on the attached Schedule 1, as such schedule may be updated to include additional persons participating in Closings (as defined below) (each a "Purchaser" and collectively, the "Purchasers").

RECITALS

a. The Company and the Initial Stockholder entered into an Information and Registration Rights Agreement dated as of September 18, 1998 (the "Original Agreement").

b. The Company and the Initial Stockholder desire for the Purchasers to purchase shares (the "Purchaser Shares") of the Company's Senior Class C Common Stock, par value $0.01 per share (the "Senior Common Stock"), and Common Stock Purchase Warrants (the "Warrants") to purchase shares of the Company's Class B Non-Voting Common Stock, par value $0.01 per share, pursuant to a Securities Purchase Agreement (the "Securities Purchase Agreement") of even date by and between the Company and each Purchaser at separate closings to occur on or before March 31, 2001 (each a "Closing" and collectively, the "Closing").

c. The Company and the Initial Stockholder desire for the Lenders to acquire Warrants to purchase shares of the Company's Class B Non-Voting Common Stock, par value $0.01 per share, pursuant to a Revolving Credit and Security Agreement (the "Revolving Credit Agreement") of even date by and between the Company, Bentley Software, Inc., a Delaware corporation, Atlantech Solutions, Inc., a Delaware corporation, the Lenders and the Agent.

d. It is a condition precedent to the agreement of each Purchaser to purchase the Purchaser Shares that the parties hereto amend and restate the Original Agreement.

e. The Company, the Initial Stockholder, the Lenders and the Purchasers desire to enter into this Agreement and to grant the rights contained herein in order to fulfill such condition.

f. The parties hereto desire to enter into this Agreement and to amend and restate the Original Agreement in the manner set forth herein.

NOW, THEREFORE, in consideration of the above and of the mutual promises set forth herein, the parties hereto agree that: (i) the Company hereby grants to the Initial Stockholder and the Purchasers the information and registration rights set forth below; and (ii) the Company, the Initial Stockholder and the Purchasers, intending to be legally bound, hereby agree as follows:

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

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

(b) "Common Stock" shall mean the shares of any current or future class or series of the Company's common stock.

(c) "Convertible Securities" shall mean securities of the Company convertible into or exchangeable for Registrable Securities.

(d) "Form S-3" shall mean Form S-3 issued by the Commission or any substantially similar form then in effect.

(e) "Holder" shall mean any holder of outstanding Registrable Securities which have not been sold to the public or Convertible Securities, but only if such holder is the Initial Stockholder, a Lender or a Purchaser or is an assignee or transferee of Registration rights as permitted by Section 9.

(f) "Initiating Holders" shall mean (i) with respect to a Holder of the Series A Convertible Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), of the Company or a Holder of Common Stock issued upon conversion of Series A Preferred Stock, any Holder or Holders who in the aggregate hold at least fifty percent (50%) of the Common Stock issued or issuable upon conversion of Series A Preferred Stock and (ii) with respect to a Holder of the Senior Common Stock or a Holder of Common Stock issued upon the conversion of Senior Common Stock, any Holder or Holders who in the aggregate are Required Holders.

(g) "Material Adverse Event" shall mean an occurrence having a consequence that either (a) is materially adverse as to the business, properties, prospects or financial condition of the Company and its Subsidiaries, taken as a whole or (b) is reasonably foreseeable, has a reasonable likelihood of occurring, and if it were to occur would materially adversely affect the business, properties, prospects or financial condition of the Company and its Subsidiaries, taken as a whole.

(h) The terms "Register," "Register," "Registered" and "Registration" refer to a registration effected by preparing and filing with the Commission a registration statement in compliance with the Securities Act ("Registration Statement"), and the declaration or ordering of the effectiveness of such Registration Statement by the Commission or pursuant to Section 8 of the Securities Act.

(i) "Registrable Securities" shall mean all Common Stock currently held or subsequently acquired by the Holders or issuable upon conversion or exercise of any of the Company's Convertible Securities purchased by or issued to the Holders, including Common Stock issued pursuant to stock splits, stock dividends and similar distributions, and any securities of the Company granted Registration rights pursuant to Section 8 of this Agreement; provided, however, the Registrable Securities shall not include any shares of Common Stock (i) which are then already registered, (ii) which have been sold to the public either pursuant to a registration under the Securities Act or Rule 144, promulgated by the Commission under the Securities Act, or (iii) so long as the Common Stock is listed on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market, which can be sold pursuant to Rule 144 under the Securities Act without limitation as to volume; and provided further, however, that the Registrable Securities shall not include any Common Stock acquired or Convertible Securities purchased after the date hereof by Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Raymond P. Bentley and Richard P. Bentley other than pursuant to the Securities Purchase Agreement.

(j) "Registration Expenses" shall mean all expenses incurred by the Company in complying with Sections 2 or 3 of this Agreement, including, without limitation, all federal and state registration, qualification and filing fees, printing expenses, fees and disbursements of counsel for the Company and one special counsel for Holders (if different from counsel for the Company), blue sky fees and expenses, and accounting fees and expenses, but excluding Selling Expenses.

(k) "Required Holders" shall mean the Holders of a majority of the shares of the Common Stock issued or issuable upon conversion of the Senior Common Stock; provided, however, that such majority shall include at least one of Cristobal Conde, David Ehret and Robert Greifeld.

(l) "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.

(m) "Selling Expenses" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities pursuant to this Agreement.

2. Demand Registration.

2.1 Request for Registration. Subject to the terms of this Agreement, in the event that the Company shall receive from Initiating Holders at any time after 180 days after the effectiveness of the Registration Statement relating to the Company's initial public offering of securities pursuant to a Registration (the "IPO"), a written request that the Company effect any Registration with respect to all or a part of the Registrable Securities if the reasonably anticipated aggregate offering price thereof to the public would exceed $5,000,000, the Company shall (i) promptly give written notice of the proposed Registration to all other Holders and (ii) as soon as practicable, use its best efforts to effect Registration of the Registrable Securities specified in such request, together with any Registrable Securities of any Holder joining in such request as

are specified in a written request given within 20 days after written notice from the Company. The Company shall not be obligated to take any action to effect any such Registration pursuant to this Section 2.1 within six months of the effective date of a Registration initiated by the Company. With respect to Initiating Holders who are Holders of Series A Preferred Stock or of Common Stock issued upon conversion of Series A Preferred Stock, the Company shall be obligated to effect only one Registration pursuant to this Section 2.1; provided that it shall be obligated to effect a second Registration if 600,000 shares of Common Stock are released to the Initial Stockholder pursuant to the Escrow Agreement (as defined in the Stock Purchase Agreement (the "Stock Purchase Agreement") dated September 18, 1998 among, inter alia the Company and the Initial Stockholder); provided further that the Company shall not be obligated to effect any Registration if the written request therefor is received by the Company more than four years after the closing of the IPO. With respect to Initiating Holders who are Holders of Senior Common Stock or of Common Stock issued upon conversion of Senior Common Stock, the Company shall be required to effect only two Registrations pursuant to this Section 2.1; provided that the Company shall not be obligated to effect any Registration if the written request therefor is received by the Company more than four years after the closing of the IPO.

2.2 Right of Deferral of Registration. If the Company shall furnish to all Holders who joined in a request for Registration pursuant to Section 2.1 a certificate signed by the President of the Company stating that, in the good faith judgment of the Board of Directors of the Company, if the Registration were effected as requested under Section 2.1; disclosure would be required that would not be in the best interests of the Company, the Company shall have the right, exercisable one time per Registration only, to defer such request with respect to such offering for a period of not more than 90 days from delivery of the request of the Initiating Holders.

2.3 Registration of Other Securities in Demand Registration. Any Registration Statement filed pursuant to the request of the Initiating Holders under this Section 2 may, subject to the provisions of Section 2.5, at the Company's option, include securities of the Company other than Registrable Securities.

2.4 Underwriting in Demand Registration.

2.4.1 Notice of Underwriting. If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2, and the Company shall include such information in the written notice referred to in Section 2.1. The rights of any Holder or other person to Registration pursuant to Section 2 shall be conditioned upon such person's agreement to participate in such underwriting.

2.4.2 Inclusion of Other Holders in Demand Registration. If the Company, officers or directors of the Company holding Common Stock other than Registrable Securities or holders of securities other than Registrable Securities, request inclusion in any Registration pursuant to Section 2.1, to the extent the Company agrees, the Initiating Holders shall permit the Company, such officers or directors and such holders of securities other than Registrable Securities to be included in the underwriting, subject to the acceptance by such persons of the terms of this Section 2, including Section 2.4.4 hereof.

2.4.3 Selection of Underwriter in Demand Registration. The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement with the representative ("Underwriter's Representative") of the underwriter or underwriters selected for such underwriting pursuant to Section 2.4.1 by the Holders of a majority of the Registrable Securities being Registered by the Initiating Holders and agreed to by the Company in its reasonable business judgment.

2.4.4 Marketing Limitation in Demand Registration. (a) In the event the Initiating Holders are Holders of the Series A Preferred Stock or of Common Stock issued upon conversion of Series A Preferred Stock and the Underwriter's Representative advises such Initiating Holders in writing that market factors (including, without limitation, the aggregate number of shares of Common Stock requested to be Registered, the general condition of the market, and the status of the persons proposing to sell securities pursuant to the Registration) require a limitation of the number of shares to be underwritten pursuant to Section 2.4.1., then (i) first the Common Stock (other than Registrable Securities) held by officers or directors of the Company excluding the Senior Common Stock or Common Stock issued upon Conversion of Senior Common Stock held by Gregory S. Bentley, Keith A. Bentley and Barry J. Bentley, (ii) next the securities other than Registrable Securities, (iii) next the securities requested to be Registered by the Company and (iv) last the Registrable Securities of Holders of other than Series A Preferred Stock or Common Stock issued upon conversion of Series A Preferred Stock, shall be excluded from such Registration to the extent required by such limitation. If a limitation of the number of shares is still required, the Initiating Holders shall so advise all Holders and the number of shares of Registrable Securities that may be included in the Registration and underwriting shall be allocated among all Holders of Series A Preferred Stock or Common Stock issued upon conversion of Series A Preferred Stock in proportion, as nearly as practicable, to the respective amounts of Registrable Securities entitled to inclusion in such Registration held by such Holders at the time of filing the Registration Statement. No Registrable Securities or other securities excluded from the underwriting by reason of this Section 2.4.4 (a) shall be included in such Registration Statement.

(b) In the event the Initiating Holders are Holders of the Senior Common Stock or of Common Stock issued upon conversion of Senior Common Stock and the Underwriter's Representative advises such Initiating Holders in writing that market factors (including, without limitation, the aggregate number of shares of Common Stock requested to be Registered, the general condition of the market, and the status of the persons proposing to sell securities pursuant to the Registration) require a limitation of the number of shares to be underwritten pursuant to Section 2.4.1, then (i) first the Common Stock (other than Registrable Securities) held by officers or directors of the Company excluding the Senior Common Stock or Common Stock issued upon conversion of Senior Common Stock held by Gregory S. Bentley, Keith A. Bentley, and Barry J. Bentley, (ii) next the securities other than Registrable Securities, (iii) next the securities requested to be Registered by the Company and (iv) last the Registrable Securities of Holders of other than Senior Common Stock or other Common Stock issued upon conversion of Senior Common Stock, shall be excluded from such Registration to the extent required by such limitation. If a limitation of the number of shares is still required, the Initiating Holders shall so advise all Holders and the number of shares of Registrable Securities that may be included in the Registration and underwriting shall be allocated among

all Holders of Senior Common Stock or Common Stock issued upon conversion of Senior Common Stock in proportion, as nearly as practicable, to the respective amounts of Registrable Securities entitled to inclusion in such Registration held by such Holders at the time of filing the Registration Statement. No Registrable Securities or other securities excluded from the underwriting by reason of this Section 2.4.4(b) shall be included in such Registration Statement.

2.4.5 Right of Withdrawal in Demand Registration. If any Holder of Registrable Securities, or a holder of other securities entitled (upon request) to be included in such Registration, disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the underwriter and the Initiating Holders delivered at least seven days prior to the effective date of the Registration Statement. The securities so withdrawn shall also be withdrawn from the Registration Statement.

2.5 Blue Sky in Demand Registration. In the event of any Registration pursuant to Section 2, the Company will exercise its best efforts to Register and qualify the securities covered by the Registration Statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably appropriate for the distribution of such securities; provided, however, that (i) the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, and (ii) notwithstanding anything in this Agreement to the contrary, in the event any jurisdiction in which the securities shall be qualified imposes a non-waivable requirement that expenses incurred in connection with the qualification of the securities be borne by selling shareholders, such expenses shall be payable pro rata by selling shareholders (but only to the extent so required).

3. Piggyback Registration.

3.1 Notice of Piggyback Registration and Inclusion of Registrable Securities. Subject to the terms of this Agreement, in the event the Company decides (other than pursuant to Section 2 of this Agreement) to Register for sale to the public generally, at any time subsequent to the Company's IPO, any of its Common Stock (either for its own account or the account of a security holder or holders exercising their respective demand Registration rights) on a form that would be suitable for a Registration involving solely Registrable Securities, the Company will: (i) promptly give each Holder written notice thereof (which shall include a list of the jurisdictions in which the Company intends to attempt to qualify such securities under the applicable Blue Sky or other state securities laws) and (ii) include in such Registration (and any related qualification under Blue Sky laws or other compliance), and in any underwriting involved therein, all the Registrable Securities specified in a written request delivered to the Company by any Holder within 15 days after delivery of such written notice from the Company.

3.2 Underwriting in Piggyback Registration.

3.2.1 Notice of Underwriting in Piggyback Registration. If the Registration of which the Company gives notice pursuant to Section 3.1 is for a Registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 3.1. In such event the right of any Holder to Registration shall be conditioned upon such underwriting and the inclusion of such Holder's Registrable Securities

in such underwriting to the extent provided in this Section 3. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders distributing their securities through such underwriting) enter into an underwriting agreement with the Underwriter's Representative for such offering. The Holders shall have no right to participate in the selection of the underwriters for an offering pursuant to this Section 3.

3.2.2 Marketing Limitation in Piggyback Registration. In the event the Underwriter's Representative advises the Holders seeking Registration of Registrable Securities pursuant to Section 3 in writing that market factors (including, without limitation, the aggregate number of shares of Common Stock requested to be Registered, the general condition of the market, and the status of the persons proposing to sell securities pursuant to the Registration) require a limitation of the number of shares to be underwritten, the Underwriter's Representative (subject to the allocation priority set forth in Section 3.2.3) may limit the number of, or eliminate, the shares of Registrable Securities to be included in such Registration and underwriting.

3.2.3 Allocation of Shares in Piggyback Registration. In the event that the Underwriter's Representative limits the number of shares to be included in a Registration pursuant to Section 3.2.2, the number of shares to be included in such Registration shall be allocated (subject to Section 3.2.2) in the following manner: (i) first the shares (other than Registrable Securities) held by officers or directors of the Company, excluding the Senior Common Stock held by Gregory S. Bentley, Keith A. Bentley, and Barry J. Bentley, (ii) next the securities other than Registrable Securities and (iii) last the Registrable Securities of Holders of other than Series A Preferred Stock or Common Stock issued upon conversion of Series A Preferred Stock, shall be excluded from such Registration and underwriting to the extent required by such limitation. If a limitation of the number of shares is still required after such exclusions, the number of shares that may be included in the Registration and underwriting by selling shareholders shall be allocated among all Holders of Series A Preferred Stock or Common Stock issued upon conversion of Series A Preferred Stock in proportion, as nearly as practicable, to the respective amounts of Registrable Securities which would otherwise be entitled to inclusion in such Registration held by such Holders at the time of filing the Registration Statement. No Registrable Securities or other securities excluded from the underwriting by reason of this Section 3.2.3 shall be included in the Registration Statement.

3.2.4 Withdrawal in Piggyback Registration. If any Holder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter delivered at least seven days prior to the effective date of the Registration Statement. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such Registration.

3.3 Blue Sky in Piggyback Registration. In the event of any Registration of Registrable Securities pursuant to Section 3, the Company will exercise its best efforts to Register and qualify the securities covered by the Registration Statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably appropriate for the distribution of such securities; provided, however, that (i) the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, and (ii) notwithstanding anything in this Agreement to the contrary, in the event

any jurisdiction in which the securities shall be qualified imposes a non-waivable requirement that expenses incurred in connection with the qualification of the securities be borne by selling shareholders, such expenses shall be payable pro rata by selling shareholders.

4. Expenses of Registration. All Registration Expenses incurred in connection with any Registration pursuant to this Agreement shall be borne by the Company. Notwithstanding the above, the Company shall not be required to pay for any expenses of any Registration proceeding begun pursuant to Section 2 if the Registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be Registered (which Holders shall bear such expenses), unless the Holders of a majority of the Series A Preferred Stock and/or the Holders of a majority of the Senior Common Stock, as applicable, agree to forfeit their right to one demand Registration pursuant to Section 2; provided further, however, that if at the time of such withdrawal, the Holders have learned of a Material Adverse Event with respect to the condition, business or prospects of the Company not known to the Holders at the time of their request, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Section 2. All Selling Expenses incurred in connection with any Registration shall be borne by the Holders of the securities Registered pro rata on the basis of the number of shares Registered.

5. Registration Procedures. The Company will keep each Holder whose Registrable Securities are included in any Registration pursuant to this Agreement advised as to the initiation and completion of such Registration. At its expense, the Company will:

(a) prepare and file with the Commission a Registration Statement with respect to such Registrable Securities and use its best efforts to cause such Registration Statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities Registered thereunder, keep such Registration Statement effective for a period of up to 120 days or until the Holder or Holders have completed the distribution described in the Registration Statement relating thereto, whichever first occurs;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection with such Registration Statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement;

(c) furnish to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use its best efforts to obtain clearance for such Registration and sale of securities from the National Association of Securities Dealers;

(e) promptly notify each Holder of Registrable Securities covered by such Registration Statement, or the Holder's designated attorney-in-fact, whenever a prospectus relating thereto covered by such Registration Statement is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such

Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing; and

(f) furnish, at the request of any Holder requesting Registration of Registrable Securities pursuant to this Agreement, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a Registration pursuant to this Agreement, if such securities are being sold through underwriters, or if such securities are not being sold through underwriters, on the date that the Registration Statement with respect to such securities becomes effective (i) an opinion dated such date of the counsel representing the Company for the purposes of such Registration, in such form and substance as is reasonably and customarily given to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting Registration of Registrable Securities and (ii) a letter dated such date from the independent certified public accountants of the Company, in such form and substance as is reasonably and customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting Registration of Registrable Securities.

6. Information Furnished by Holder. It shall be a condition precedent of the Company's obligations under this Agreement that each Holder of Registrable Securities included in any Registration furnish to the Company such information regarding such Holder and the distribution proposed by such Holder or Holders as the Company may reasonably request.

7. Indemnification.

7.1 Company's Indemnification of Holders. To the extent permitted by law, the Company will indemnify each Holder, each of its officers, directors and constituent partners, legal counsel for the Holders, and each person controlling such Holder, with respect to which Registration, qualification or compliance of Registrable Securities has been effected pursuant to this Agreement, and each underwriter, if any, and each person who controls any underwriter against all claims, losses, damages, liabilities or expenses (or actions in respect thereof) to the extent such claims, losses, damages, liabilities or expenses arise out of or are based upon any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus or other document (including any related Registration Statement) incident to any such Registration, qualification or compliance, or are based on any 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 any violation (or alleged violation) by the Company of any rule or regulation promulgated under the Securities Act applicable to the Company and relating to action or inaction required of the Company in connection with any such Registration, qualification or compliance; and the Company will reimburse each such Holder, each such underwriter and each person who controls any such Holder or underwriter, for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, expense or action; provided, however, that the indemnity contained in this Section 7.1 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if settlement is effected without the consent of the Company (which consent shall not unreasonably be withheld); and provided, further, that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based

upon any untrue statement or omission based upon written information furnished to the Company by such Holder, underwriter, or controlling person and stated to be for use in connection with the offering of securities of the Company.

7.2 Holder's Indemnification of Company. To the extent permitted by law, each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such Registration, qualification or compliance is being effected pursuant to this Agreement, indemnify the Company, each of its directors and officers, each legal counsel and independent accountant of the Company, each underwriter, if any, of the Company's securities covered by such a Registration Statement, each person who controls the Company or such underwriter within the meaning of the Securities Act, and each other such Holder, each of its officers, directors and constituent partners and each person controlling such other Holder, against all claims, losses, damages, liabilities or expenses (or actions in respect thereof) arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, prospectus, offering circular or other document, or any 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 any violation (or alleged violation) by such Holder of any rule or regulation promulgated under the Securities Act applicable to such Holder and relating to action or inaction required of such Holder in connection with any such Registration, qualification or compliance; and will reimburse the Company, such Holders, such directors, officers, partners, persons, law and accounting firms, underwriters or control persons for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, expense or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such Registration Statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use in connection with the offering of securities of the Company, provided, however, that the indemnity contained in this Section 7.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld); and provided further that each Holder's liability under this Section 7.2 shall not exceed such Holder's proceeds from the offering of securities made in connection with such Registration.

7.3 Indemnification Procedure. Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof and generally summarize such action. The indemnifying party shall have the right to participate in and to assume the defense of such claim; provided, however, that the indemnifying party shall be entitled to select counsel for the defense of such claim with the approval of any parties entitled to indemnification, which approval shall not be unreasonably withheld; provided further, however, that if either party reasonably determines that there may be a conflict between the position of the Company and the Holders in conducting the defense of such action, suit or proceeding by reason of recognized claims for indemnity under this Section 7, then counsel for such party shall be entitled to conduct the defense to the extent reasonably determined by such counsel to be

necessary to protect the interest of such party. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to the ability of the indemnifying party to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 7, but the omission so to notify the indemnifying party will not relieve such party of any liability that such party may have to any indemnified party otherwise other than under this Section 7.

7.4 Contribution. If the indemnification provided for in this Section 7 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

7.5 Underwriting Agreement. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

7.6 Survival. The obligations of the Company and Holders under this Section 7 shall survive the completion of any offering of Registrable Securities in a registration statement under this Agreement, and otherwise.

8. Limitations on Registration Rights Granted to Other Securities. From and after the date of this Agreement, the Company shall not enter into any agreement with any holder or prospective holder of any securities of the Company providing for the granting to such holder of any Registration rights except for Registration rights that are entirely subordinate to, and do not interfere with, the rights of the Holders; provided that, with the consent of (i) the Holders of a majority of the shares of Series A Preferred Stock (and/or Registrable Securities into which the Series A Preferred Stock is converted and as adjusted for stock splits, combinations and the like) and (ii) the Required Holders. Additional holders may be added as parties to this Agreement with regard to any or all securities of the Company held by them. Any such additional parties shall execute a counterpart of this Agreement, and upon execution by such additional parties and by the Company, shall be considered a Holder for all purposes of this Agreement.

9. Transfer of Rights. The right to cause the Company to Register securities granted by the Company to the Holders under this Agreement may be assigned by any Holder to a transferee or assignee of any Convertible Securities or Registrable Securities not sold to the public acquiring at least 300,000 shares of Series A Preferred Stock or at least 7,500 shares of Senior Common Stock (or Registrable Securities into which such shares of Series A Preferred Stock or Senior

Common Stock have been converted) equitably adjusted for any stock splits, subdivisions, stock dividends, changes, combinations or the like, immediately prior to the transfer; provided, however, that (x) the Company must receive written notice 10 days prior to the time of said transfer, stating the name and address of said transferee or assignee and identifying the securities with respect to which such information and Registration rights are being assigned, and (y) the transferee or assignee of such rights must not be a person to whom transfer of such securities is prohibited by the Stock Purchase Agreement or the Securities Purchase Agreement as applicable. Notwithstanding the limitations set forth in the foregoing sentence, (i) any Holder which is a partnership may transfer such Holder's Registration rights to such Holder's constituent partners; and (ii) any Holder which is a corporation may transfer such Holder's Registration rights to any corporation or other entity at least 50% in interest of which is owned by such Holder or the owners of at least 50% in interest of such Holder without restriction as to the number or percentage of shares acquired by any such constituent partner, corporation or other entity.

10. Market Stand-off. Each Holder that, immediately after the closing of the IPO, will hold five percent (5%) of the Company's outstanding stock hereby agrees that, if so requested by the Company and the Underwriter's Representative (if any), such Holder shall not sell or otherwise transfer any Registrable Securities or other securities of the Company during the 180-day period following the effective date of the Company's Registration for the IPO, provided that such restriction shall only apply if the Company shall have also obtained from each of its directors and executive officers their agreement to be bound by the same restriction.

11. Limitations on Registration; Conversion of Preferred Stock.

11.1 No Action Letter. Notwithstanding anything else in this Agreement, if the Company shall have obtained from the Commission a "no-action" letter in which the Commission has indicated that it will take no action if, without Registration under the Securities Act, any Holder disposes of Registrable Securities covered by any request for Registration made under this Agreement in the specific manner in which such Holder proposes to dispose of the Registrable Securities included in such request (such as including, without limitation, inclusion of such Registrable Securities in an underwriting initiated by either the Company or the Holders), or if in the written opinion of counsel for the Company concurred in by counsel for such Holder, which concurrence shall not be unreasonably withheld, no Registration under the Securities Act is required in connection with such disposition, the Registrable Securities included in such request shall not be eligible for Registration under this Agreement; provided, however, that any Registrable Securities not so disposed of shall be eligible for Registration in accordance with the terms of this Agreement with respect to other proposed dispositions to which this Section 11 does not apply.

11.2 Conversion. The Registration rights of the Holders of the Registrable Securities set forth in this Agreement are conditioned upon the conversion of the Convertible Securities with respect to which Registration is sought into Registrable Securities no later than immediately prior to the closing of the applicable sale of securities.

11.3 Termination. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to Register any Holder's Registrable Securities pursuant to this Agreement if at the time the request therefor is received, such requesting Holder and all of his

affiliates then have the right to sell all Registrable Securities owned by such persons within a single three-month period without registration pursuant to Rule 144 under the Securities Act (or any successor rule).

12. Information.

12.1 Financial Statements and Reports to Holders. The Company shall deliver to the Initial Stockholder (or a permitted transferee that acquires at least 750,000 shares of Series A Preferred Stock (or Registrable Securities into which such shares have been converted) equitably adjusted for any stock splits, subdivisions, stock dividends, changes, combinations or the like) and each Purchaser (or permitted transferees of the Purchasers):

(a) within 120 days after the end of each fiscal year of the Company, a balance sheet of the Company as of the end of such year and statements of income and cash flows for such year, which year-end financial reports shall be in reasonable detail and prepared in accordance with generally accepted accounting principles consistently applied and shall be audited and accompanied by the opinion of independent public accountants of a "Big 5" accounting firm approved by the Board of Directors of the Company;

(b) within 45 days after the end of each of its first three fiscal quarters, unaudited financial statements of the Company on a quarterly basis prepared in accordance with generally accepted accounting principles and fairly reflecting the fiscal affairs of the Company to the date thereof;

(c) contemporaneously with delivery to holders of Common Stock of the Company, a copy of each report of the Company delivered to holders of Common Stock;

(d) a notice summarizing any material litigation initiated by or against the Company and any material developments regarding any such litigation or regarding other material legal or regulatory issues, in each case promptly after the occurrence thereof; and

(e) such other available information as is reasonably requested.

12.2 Additional Reports to Initial Stockholder. The Company shall deliver to the Initial Stockholder (or a permitted transferee that acquires at least 750,000 shares of Series A Preferred Stock (or Registrable Securities into which such shares have been converted) equitably adjusted for any stock splits, subdivisions, stock dividends, changes, combinations or the like) as soon as approved by the Board of Directors of the Company, each operating and/or capital budget and plan (the "Plan") respecting the next fiscal year and a summary of each such Plan containing a monthly financial budget together with any update of the Plan as such update is prepared.

12.3 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the Commission which may permit the sale of the Registrable Securities to the public without Registration, the Company shall:

(a) make and keep public information available as those terms are understood and defined in Rule 144 under the Securities Act, at all times from and after 90 days

following the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public; and

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Securities Exchange Act at any time after it has become subject to such reporting requirements.

13. Inspection. The Company shall permit the Initial Stockholder (or its designated representative), at the Initial Stockholder's expense, to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Initial Stockholder (or its designated representative); provided, however, that the Company shall not be obligated pursuant to this Section 13 to provide any information which it reasonably considers a trade secret or confidential information.

14. Termination of Covenants. The covenants of the Company set forth in Sections 12.1, 12.2 and 13 shall be terminated, and be of no further force or effect, upon the closing of the IPO.

15. Miscellaneous.

15.1 Entire Agreement; Successors and Assigns. This Agreement constitutes the entire contract between the Company and the Holders relative to the subject matter hereof. Subject to the exceptions specifically set forth in this Agreement, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective executors, administrators, heirs, successors and assigns of the parties.

15.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts entered into and wholly to be performed within the State of Delaware.

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

15.4 Headings. The headings of the Sections of this Agreement are for convenience and shall not by themselves determine the interpretation of this Agreement.

15.5 Notices. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery, or one day after sent via reputable national overnight courier addressed (i) if to the Company, as set forth below the Company's name on the signature page of this Agreement, and (ii) if to a Holder, at such Holder's address as set forth on the signature pages hereto, or at such other address as the Company or such Holder may designate by ten (10) days advance written notice to the Holders or the Company, respectively.

15.6 Amendment of Agreement. Any provision of this Agreement may be amended or waived only by a written instrument signed by the Company and with the consent of (i) any

Holder or Holders who in the aggregate hold at least fifty percent (50%) of the Common Stock issued or issuable upon conversion of the Series A Preferred Stock, (ii) the Required Holders and (iii) the Lenders; provided, however, that no amendment to this Agreement shall become effective without the consent of any party hereto whose rights hereunder are adversely affected by such amendment; and further provided, however, that (A) amendments or waivers only affecting Holders of Series A Preferred Stock or of Common Stock issued upon conversion of Series A Preferred Stock may be effectuated without the consent of (1) the Required Holders and (2) the Lenders; (B) amendments or waivers only affecting Holders of Senior Common Stock or of Common Stock issued upon conversion of Senior Common Stock may be effectuated without the consent of (1) the Holder or Holders who in the aggregate hold at least fifty percent (50%) of the Common Stock issued or issuable upon conversion of the Series A Preferred Stock and (2) the Lenders; and (C) amendments or waivers only affecting the Lenders may be effectuated without the consent of (1) the Holder or Holders who in the aggregate hold at least fifty percent (50%) of the Common Stock issued or issuable upon conversion of the Series A Preferred Stock and (2) the Required Holders.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED
a Delaware corporation

By: /s/ David Nation

Name: David Nation
Title: Senior Vice President

Address: 690 Pennsylvania Drive
Exton, PA 19341-1136
Attention: President
With a copy to: General Counsel
Telephone: (610) 458-5000
Facsimile: (610) 458-1060

INITIAL STOCKHOLDER:

BACHOW INVESTMENT PARTNERS, III, L.P.
By: Bala Equity Partners, L.P., general partner
By: Bala Equity, Inc., general partner

By: /s/ Jay D. Seid

Name: Jay D. Seid
Title: Vice President

Address: 3 Bala Plaza East, Suite 502
Bala Cynwyd, PA 19004
Attention: Jay D. Seid, Managing Director
Telephone: (610) 660-4900
Facsimile: (610) 550-4930

PURCHASERS:

/s/ Gregory S. Bentley

Gregory S. Bentley

Address: 201 Bentley Lane
East Fallowfield, PA 19320

/s/ Keith A. Bentley

Keith A. Bentley

Address: 100 Morningside Drive
Elverson, PA 19520

/s/ Barry J. Bentley

Barry J. Bentley

Address: 281 Grove Road
Elverson, PA 19520

/s/ Cristobal Conde

Cristobal Conde

Address: 560 Lexington Ave., 9th Floor
New York, NY 10022

/s/ David Ehret

David Ehret

Address: 2 Independence Place
Apt. 1407
Philadelphia, PA 19106

/s/ Robert Greifeld

Robert Greifeld

Address:

LENDERS:

/s/ Craig T. Scheetz

PNC Bank, National Association

Address: 1600 Market Street
Philadelphia, PA 19103
Attn: Craig T. Scheetz, Vice President

/s/ Juan Carlos Lorenzo

Citibank, N.A.

Address: 153 East 53rd Street
25th Floor, Zone 5
New York, NY 10043
Attn: Juan Lorenzo, Vice President

AMENDMENT TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT

AMENDMENT TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT dated as of July 2, 2001 (the "Amendment") by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Bachow Investment Partners III, L.P., a Delaware limited partnership ("Bachow"), PNC Bank, National Association ("PNC"), Citibank, N.A. ("Citibank"), Gregory S. Bentley, Keith A. Bentley, Barry J. Bentley, Cristobal Conde, David Ehret and Robert Greifeld.

Background

1. On December 26, 2000, the Company entered into the Amended and Restated Information and Registration Rights Agreement (the "Registration Rights Agreement") with the several purchasers named in Schedule 1 attached thereto (the "First Tranche Purchasers"), Bachow, PNC and Citibank, in respect of certain registration rights granted by the Company.

2. Pursuant to Section 1.2(c) of the Securities Purchase Agreement (the "Securities Purchase Agreement") with the several purchasers named in Schedule I attached thereto and Raymond B. Bentley and Richard P. Bentley for certain limited purposes specified therein, the Company had the right and option to sell up to an aggregate 75,000 additional shares of Class C Common Stock and Common Stock Purchase Warrants to purchase up to an aggregate of 1,040,000 additional shares ("Warrant Shares") of Class B Common Stock of the Company in one or more closings on or prior to March 31, 2001.

3. Pursuant to the preamble and the recitals in the Registration Rights Agreement, it was contemplated that additional purchasers of shares of the Class C Common Stock and Common Stock Purchase Warrants to acquire Warrant Shares would be added as parties to the Registration Rights Agreement in connection with a Closing or Closings to occur on or before March 31, 2001.

4. The Securities Purchase Agreement has been amended to extend the date for additional Closings to on or prior to September 30, 2001. Accordingly, the parties hereto desire to amend Recital b. to the Registration Rights Agreement to reflect the aforesaid amendment to the Securities Purchase Agreement.

NOW, THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. Amendment. The reference to "March 31, 2001" in the definition of "Closing" and "Closings" in Recital b. of the Registration Rights Agreement is hereby deleted and replaced with "September 30, 2001".

SECTION 2. Registration Rights Agreement in Full Force and Effect as Amended. Except as specifically amended hereby, all of the terms and conditions of the

Registration Rights Agreement shall remain in full force and effect. All references to the Registration Rights Agreement in any other document or instrument shall be deemed to mean such Registration Rights Agreement as amended by this Amendment. The parties hereto agree to be bound by the terms and obligations of the Registration Rights Agreement, as amended by this Amendment, as though the terms and obligations of the Registration Rights Agreement were set forth herein.

SECTION 3. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

SECTION 4. Governing Law. This Amendment is made pursuant to, and shall be construed and enforced in accordance with, the laws of the State of Delaware, irrespective of the principal place of business, residence or domicile of the parties hereto, and without giving effect to otherwise applicable principles of conflicts of law.

SECTION 5. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Registration Rights Agreement.

[signature page follows]

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

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

BACHOW INVESTMENT PARTNERS III, L.P.

By: Bala Equity Partners, L.P., its General Partner
By: Bala Equity, Inc., its General Partner

By: /s/ Jay D. Seid

Name: Jay D. Seid
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Craig T. Sheetz

Name: Craig T. Sheetz
Title: Vice President

CITIBANK, N.A.

By: /s/ Gerald Roberts

Name: Gerald Roberts
Title: Vice President

/s/ Gregory S. Bentley

Gregory S. Bentley

/s/ Keith A. Bentley

Keith A. Bentley

/s/ Barry J. Bentley

Barry J. Bentley

/s/ Cristobal Conde

Cristobal Conde

/s/ David Ehret

David Ehret

JOINDER TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT

THIS JOINDER TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT (this "Joinder Agreement") is made as of this 2nd day of July, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Malcolm S. Walter and Argosy Investment Partners II, L.P., a Delaware limited partnership (together with Malcolm S. Walter, the "Second Tranche Purchasers"). All initially capitalized terms used but not otherwise defined in this Joinder Agreement shall have the meanings given to such terms in the Registration Rights Agreement (as such term is hereinafter defined).

BACKGROUND

1. On December 26, 2000, the Company entered into the Amended and Restated Information and Registration Rights Agreement (the "Registration Rights Agreement") with the several purchasers named in Schedule 1 attached thereto (the "First Tranche Purchasers"), Bachow Investment Partners III, L.P., a Delaware limited partnership ("Bachow"), PNC Bank, National Association ("PNC") and Citibank, N.A. ("Citibank") in respect of certain registration rights granted by the Company.

2. Pursuant to the preamble and the recitals in the Registration Rights Agreement, it was contemplated that additional purchasers of shares of the Class C Common Stock and warrants to acquire Warrant Shares would be added as parties to the Registration Rights Agreement in connection with a Closing or Closings to occur on or before March 31, 2001.

3. The Securities Purchase Agreement has been amended to extend the date for additional Closings to on or prior to September 30, 2001.

4. On or before the date hereof, in accordance with Section 15.6 of the Registration Rights Agreement, Bachow, as the holder of at least 50% of the Common Stock issuable upon conversion of the Series A Preferred Stock, the Required Holders, PNC and Citibank have consented in writing to the amendment of the Registration Rights Agreement to extend the date for additional Closings to on or prior to September 30, 2001 (the "RRA Amendment").

5. On the date hereof, the Company and the Second Tranche Purchasers have executed a Joinder to Securities Purchase Agreement ("Joinder to Securities Purchase Agreement") in connection with the Second Tranche Purchasers' purchase of 26,000 shares of Class C Common Stock and Common Stock Purchase Warrants to purchase 360,533.3 shares of Class B Common Stock of the Company. Accordingly, the Second Tranche Purchasers desire to join in the Registration Rights Agreement in accordance with the terms hereof.

NOW THEREFORE, in consideration of the promises and the agreements

contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1.1 Joinder. In connection with the purchase by him or it of the securities indicated on Schedule I attached to the Joinder to Securities Purchase Agreement, each of the Purchasers hereby acknowledges and agrees that, effective as of the date hereof, he or it shall be added as a party to the Registration Rights Agreement, as amended by the RRA Amendment, and shall be bound by all provisions of the Registration Rights Agreement, as so amended, to the same extent as each of the First Tranche Purchasers.

1.2 Counterparts. This Joinder Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Joinder Agreement by signing any such counterpart.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Joinder Agreement to be executed as of the date first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

PURCHASERS:

ARGOSY INVESTMENT PARTNERS II, L.P.

By: Argosy Associates II, L.P., its General Partner

By: Argosy Associates II, Inc., its General Partner

By: /s/ Kirk B. Griswold

Name: Kirk B. Griswold
Title: Vice President

XXXXXXXXXX

Gregory S. Bentley

Malcolm S. Walter

Malcolm S. Walter

[Signature Page to Joinder to Amended and Restated Information and Registration Rights Agreement]

JOINDER TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT

THIS JOINDER TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT (this "Joinder Agreement") is made as of this 18th day of September, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Gabriel Norona, Francisco Norona, Richard D. Bowman, Andrew Panayotoff, Orestes Norat and Robert Cormack (collectively, the "Purchasers"). All initially capitalized terms used but not otherwise defined in this Joinder Agreement shall have the meanings given to such terms in the Registration Rights Agreement (as such term is hereinafter defined).

BACKGROUND

1. On December 26, 2000, the Company entered into the Amended and Restated Information and Registration Rights Agreement (the "Registration Rights Agreement") with the several purchasers named in Schedule 1 attached thereto (the "Initial Purchasers"), Bachow Investment Partners III, L.P., a Delaware limited partnership ("Bachow"), PNC Bank, National Association ("PNC") and Citibank, N.A. ("Citibank") in respect of certain registration rights granted by the Company.

2. On July 2, 2001, Argosy Investment Partners II, L.P. and Malcolm S. Walter (the "Second Round Purchasers") joined in the Registration Rights Agreement in connection with their purchase of Class C Common Stock and Common Stock Purchase Warrants to purchase shares of Class B Common Stock of the Company.

3. On the date hereof, the Company and the Purchasers have executed a Joinder and Amendment to Securities Purchase Agreement ("Joinder and Amendment to Securities Purchase Agreement") in connection with the Purchasers' purchase of an aggregate 35,000 shares of Class C Common Stock and Common Stock Purchase Warrants to purchase an aggregate 485,333 shares of Class B Common Stock of the Company. Accordingly, the Purchasers desire to join in the Registration Rights Agreement in accordance with the terms hereof.

NOW THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1.1 Joinder. In connection with the purchase by him of the securities indicated on Schedule I attached to the Joinder and Amendment to Securities Purchase Agreement, each of the Purchasers hereby acknowledges and agrees that, effective as of the date hereof, he shall be added as a party to the Registration Rights Agreement, as amended by the Amendment to Amended and Restated Information and Registration Rights Agreement dated as of July 2, 2001, and shall be bound by all provisions of the Registration Rights Agreement, as so amended, to the same extent as each of the Initial Purchasers and the Second Round Purchasers.

1.2 Counterparts. This Joinder Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Joinder Agreement by signing any such counterpart.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Joinder Agreement to be executed as of the date first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

PURCHASERS:

/s/ Gabriel Norona

Gabriel Norona

/s/ Francisco Norona

Francisco Norona

/s/ Richard D. Bowman

Richard D. Bowman

/s/ Andrew Panayotoff

Andrew Panayotoff

/s/ Orestes Norat

Orestes Norat

/s/ Robert Cormack

Robert Cormack

[Signature Page 1 of 1 to Joinder to Amended and Restated Information and Registration Rights Agreement]

JOINDER TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT

THIS JOINDER TO AMENDED AND RESTATED INFORMATION AND REGISTRATION RIGHTS AGREEMENT (this "Joinder Agreement") is made as of this 18th day of September, 2001 by and among Bentley Systems, Incorporated, a Delaware corporation (the "Company"), Gabriel Norona and Francisco Norona (collectively, the "Purchasers"). All initially capitalized terms used but not otherwise defined in this Joinder Agreement shall have the meanings given to such terms in the Registration Rights Agreement (as such term is hereinafter defined).

BACKGROUND

1. On December 26, 2000, the Company entered into the Amended and Restated Information and Registration Rights Agreement (the "Registration Rights Agreement") with the several purchasers named in Schedule 1 attached thereto (the "Initial Purchasers"), Bachow Investment Partners III, L.P., a Delaware limited partnership ("Bachow"), PNC Bank, National Association ("PNC") and Citibank, N.A. ("Citibank") in respect of certain registration rights granted by the Company.

2. On July 2, 2001, Argosy Investment Partners II, L.P. and Malcolm S. Walter (the "Second Round Purchasers") joined in the Registration Rights Agreement in connection with their purchase of Class C Common Stock and Common Stock Purchase Warrants to purchase shares of Class B Common Stock of the Company.

3. On the date hereof (a) the Company is acquiring Geopak Corporation, a Florida corporation ("Geopak"), through the merger of Geopak into a wholly owned subsidiary of the Company (the "Merger"), (b) in partial consideration of the Merger, the Company is issuing an aggregate 35,000 Class C Shares to the stockholders of Geopak (the "Stockholders") including the Purchasers, and (c) the Stockholders and the Company are entering into a Joinder to Registration Rights Agreement with respect to such purchase and sale of the 35,000 Class C Shares.

4. On the date hereof, the Company and the Purchasers are entering into a Joinder to Securities Purchase Agreement ("Joinder to Securities Purchase Agreement") in connection with the Purchasers' purchase of an additional aggregate 5,000 Class C Shares. Accordingly, the Purchasers desire to join in the Registration Rights Agreement in accordance with the terms hereof.

NOW THEREFORE, in consideration of the promises and the agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1.1 Joinder. In connection with the purchase by him of the securities indicated on Schedule I attached to the Joinder to Securities Purchase Agreement, each of the

Purchasers hereby acknowledges and agrees that, effective as of the date hereof, he shall be added as a party to the Registration Rights Agreement, as amended by the Amendment to Amended and Restated Information and Registration Rights Agreement dated as of July 2, 2001, and shall be bound by all provisions of the Registration Rights Agreement, as so amended, to the same extent as each of the Initial Purchasers, the Second Round Purchasers and the Stockholders.

1.2 Counterparts. This Joinder Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Joinder Agreement by signing any such counterpart.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Joinder Agreement to be executed as of the date first above written.

COMPANY:

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David G. Nation

Name: David G. Nation
Title: Senior Vice President

PURCHASERS:

/s/ Gabriel Norona

Gabriel Norona

/s/ Francisco Norona

Francisco Norona

[Signature Page 1 of 1 to Joinder to Amended and Restated Information and Registration Rights Agreement]

SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE

THIS IS A SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE ("Settlement Agreement"), dated March 26, 1999 between BENTLEY SYSTEMS, INCORPORATED, a Delaware corporation with offices at 685 Stockton Drive, Exton, Pennsylvania, U.S.A. ("BSI"), Barry Bentley, Raymond Bentley, Scott Bentley, Gregory Bentley, and Keith Bentley (the "Bentleys") on the one hand, and INTERGRAPH CORPORATION, a Delaware corporation with offices at One Madison Industrial Park, Huntsville, AL 35894 ("Intergraph") on the other hand, all of which are collectively referred to as "the Parties".

WHEREAS, on April 17, 1987, BSI and Intergraph entered into a Software License Agreement for MicroStation, which was amended from time to time with Amendments 1 through 14 (the "SLA");

WHEREAS, various disputes arose among the parties relating to their respective rights under the SLA and other matters;

WHEREAS, BSI initiated an arbitration proceeding before the American Arbitration Association, titled Bentley Systems, Incorporated, Claimant, and Intergraph Corporation, Respondent, case no. 30 Y 117 00094 96 (the "Arbitration");

WHEREAS, hearings have been held in the Arbitration and final arguments are scheduled to take place before the Arbitrators;

WHEREAS, BSI and Intergraph wish to settle all disputes and disagreements between them;

NOW THEREFORE, the parties agree:

SECTION 1

Released Claims; No Fault or Wrongdoing; Closing

1.1 As used in this Settlement Agreement, "Released Claims" means any and all actions and causes of action, claims and demands, theories of recovery, suits, damages, costs, attorney's fees, expert fees, expenses, debts, dues, accounts, bonds, covenants, contracts, agreements, compensation, payments, royalties, interest, and profit disgorgement, and all sums of money known or unknown, absolute or contingent, liquidated or unliquidated, at law or in equity, that the Parties have or may have based upon any fact, matter, act, omission or circumstance, known or unknown (collectively, "Claims"), from the beginning of the world to the date of this Settlement Agreement, including, but not limited to, those that have been asserted or may have been asserted or could have been asserted in the Arbitration or otherwise; provided, however, that "Released Claims" shall not include any Claims based upon a breach of Intergraph's or BSI's obligations (i) under the Settlement Agreement, Software License Agreement and letter agreement between Intergraph and BSI, all dated March 10, 1999 and

entered into in settlement of the PlotLib litigation; and (ii) to make payment for products or services obtained or provided in the normal course of business since January 1, 1999.

1.2 Nothing in this Settlement Agreement, nor any actions taken by any party in connection with this Settlement Agreement, constitutes or should be construed as or deemed to be an admission of fault, liability or wrongdoing of any kind whatsoever on the part of any party. All Parties expressly deny any fault, liability or wrongdoing concerning the Released Claims and intend merely to avoid continuing litigation with each other.

1.3 As used in this Settlement Agreement, the "Closing" means the time set by mutual agreement of Intergraph and BSI for the payment and delivery of the consideration, and the performance of other obligations to be performed at Closing under this Settlement Agreement; provided, however, that the Closing shall occur on or before April 1, 1999, or such later date to which Intergraph and BSI may agree in writing. If the Closing does not occur by the close of business on April 1, 1999 (or such extended date to which Intergraph and BSI agree in writing), then this Settlement Agreement shall become null and void and none of the Parties will have any further obligations hereunder. The "Consummation of the Closing" hereunder shall occur when the Parties have paid and delivered the consideration, and performed all other obligations to be performed at Closing under this Settlement Agreement.

SECTION 2

Provisions Applicable to Intergraph

2.1 At the Closing:

(a) Intergraph shall pay BSI $12,000,000 (Twelve Million Dollars) U.S. by wire transfer; and

(b) Intergraph shall transfer to BSI ownership of 3,000,000 (Three Million) shares of Class A common stock of BSI owned by Intergraph. Such transfer shall be accomplished by Intergraph's delivery to BSI of the certificate for such shares duly endorsed for transfer, and such transfer shall convey title to the shares to BSI free and clear of any liens or other encumbrances.

2.2 Upon Consummation of the Closing, Intergraph does for itself and each of its subsidiaries, its representatives, officers, directors, affiliates, successors and assigns, and all persons claiming by, through or under it, hereby remise, release and discharge (a) BSI and each of its subsidiaries, and their respective officers, directors, shareholders, subsidiaries, employees, agents, servants, attorneys, heirs and personal representatives, (b) each of the Bentleys, and (c) all persons, corporations or other entities that might be claimed to be jointly or severally liable with BSI and/or one or more of the Bentleys, from the Released Claims (as defined in Section 1.1), except any claims for violation of this Settlement Agreement.

2.3 Intergraph agrees that it will forever refrain from demanding, instituting prosecuting, participating in or instigating any derivative claim or derivative proceeding on behalf of BSI against the Bentleys based on the Released Claims.

2.4 Intergraph is solvent and will be solvent immediately after giving effect to the transactions contemplated by this Settlement Agreement.

SECTION 3

Provisions Applicable to BSI and the Bentleys

3.1 At the Closing, BSI must deliver to Intergraph properly signed papers necessary to effect the dismissal or withdrawal as applicable, with prejudice and without attorney fees, costs or expenses to any party, of the Arbitration.

3.2 Upon Consummation of the Closing, BSI does for itself and each of its subsidiaries, its representatives, officers, directors, affiliates, successors and assigns, and all persons claiming by, through or under it, hereby remise, release and discharge Intergraph and each of its subsidiaries, and their respective officers, directors, shareholders, subsidiaries, employees, agents, servants, attorneys, heirs and personal representatives, and all persons, corporations or other entities that might be claimed to be jointly or severally liable with Intergraph and/or one or more of its subsidiaries, from the Released Claims (as defined in Section 1.1), except any claims for violation of this Settlement Agreement.

3.3 Upon Consummation of the Closing, each of the Bentleys individually does for himself, his representatives, affiliates, successors, heirs and assigns, and all persons claiming by, through or under him, hereby remise, release and discharge Intergraph and each of its subsidiaries, and their respective officers, directors, shareholders, subsidiaries, employees, agents, servants, attorneys, heirs and personal representatives, and all persons, corporations or other entities that might be claimed to be jointly or severally liable with Intergraph and/or one or more of its subsidiaries, from the Released Claims (as defined in Section 1.1), except any claims for violation of this Settlement Agreement.

3.4 The Bentleys and BSI agree that they will forever refrain from demanding, instituting, prosecuting, participating in or instigating any derivative claim or derivative proceeding on behalf of Intergraph against Intergraph's officers, directors, subsidiaries or any of the subsidiaries' officers or directors based on the Released Claims.

3.5 If Intergraph delivers to BSI its stock certificate No. 28 evidencing its ownership of 10,804,595 shares of Class A Common Stock of BSI for use pursuant to Section 2.1(b) of this Settlement Agreement, then:

(a) If there is a Consummation of Closing, BSI shall cancel certificate No. 28 and, simultaneously with the Consummation of Closing, deliver to Intergraph a duly authorized and executed certificate for 7,804,595 shares of BSI Class A Common Stock.

(b) If there is no Consummation of Closing, BSI shall forthwith return to Intergraph stock certificate No. 28.

SECTION 4

Registration Rights; Voting Proxy

4.1 Piggyback Registration in IPO.

4.1.1 Notice of Piggyback Registration and Inclusion of Intergraph's BSI Shares. In the event that BSI, in its sole discretion, decides to register for sale to the public generally any of its Common Stock on a form that would be suitable for the initial public offering of its Common Stock in an underwritten offering (whether on a firm commitment or "best-efforts" basis) registered under the Securities Act of 1933 (the "IPO"), BSI will: (i) promptly give Intergraph written notice thereof (which shall include a list of the jurisdictions in which BSI intends to attempt to qualify such securities under the applicable Blue Sky or other state securities laws) and (ii) include in such IPO all of the BSI Class A Common Stock owned by Intergraph and specified in a written request delivered to BSI by Intergraph within 15 days after delivery of such written notice from BSI; provided that the number of shares owned by Intergraph to be included in the IPO shall not exceed twenty percent (20%) of the total number of BSI shares included in the IPO.

Intergraph shall enter into the underwriting agreement along with BSI for the IPO, which, with respect to Intergraph, shall contain such terms and provisions as are customarily applicable to selling shareholders. After the notice of a BSI IPO as contemplated by Section 4.1.1, then BSI will, from time to time, keep Intergraph advised as to the status of the underwriting offering, including the initiation and completion of the offering and the occurrence of material events or developments relating to or affecting the offering.

4.1.2 Withdrawal in Piggyback Registration. If Intergraph disapproves of the terms of any such underwriting, it may elect to withdraw therefrom by written notice to BSI and the underwriter delivered at least seven days prior to the effective date of the IPO registration statement.

4.1.3 Blue Sky in Piggyback Registration. In the event of any registration of Intergraph's BSI shares in the IPO, BSI will exercise its best efforts to register and qualify the securities covered by the registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably appropriate for the distribution of such securities; provided, however, that (i) BSI shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, and (ii) notwithstanding anything in this Settlement Agreement to the contrary, in the event any jurisdiction in which the securities shall be qualified imposes a non-waivable requirement that expenses incurred in connection with the qualification of the securities be borne by selling shareholders, such expenses shall be payable pro rata by selling shareholders. In the event the registered offering is effected on a "best-efforts" basis, the shares of stock to be sold thereby will be allocated among new shares to be issued by BSI and shares to be sold by Intergraph on a pro rata basis relative to the number of shares to be registered on behalf of each such party.

4.1.4 Expenses of Registration. All Registration Expenses (as defined below) incurred in connection with any registration pursuant to this Settlement Agreement shall be

borne by BSI. All Selling Expenses (as defined below) incurred in connection with any registration of Intergraph's BSI shares shall be borne by Intergraph pro rata on the basis of the number of shares registered.

(a) "Registration Expenses" shall mean all expenses incurred by BSI in complying with the registration of Intergraph's BSI shares in the IPO, including, without limitation, all federal and state registration, qualification and filing fees, printing expenses, fees and disbursements of counsel for BSI and Intergraph, Blue Sky fees and expenses, and accounting fees and expenses, but excluding Selling Expenses.

(b) "Selling Expenses" shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Intergraph's BSI shares in the IPO.

4.1.5 Information Furnished by Intergraph. It shall be a condition precedent of BSI's obligations under this Section 4 of this Settlement Agreement that Intergraph furnish to BSI such information regarding Intergraph and the distribution proposed by Intergraph as BSI may reasonably request for purposes of including Intergraph's shares in the IPO.

4.1.6 Indemnification.

(a) BSI's Indemnification of Intergraph. To the extent permitted by law, BSI will indemnify Intergraph, each of its officers, directors and each person controlling Intergraph, with respect to the inclusion of Intergraph's shares in the IPO, and each underwriter, if any, and each person who controls any underwriter, against all claims, losses, damages, liabilities or expenses (or actions in respect thereof) to the extent such claims, losses, damages, liabilities or expenses arise out of or are based upon any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus or other document (including any related registration statement) incident to any such registration, qualification or compliance, or are based on any 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 any violation (or alleged violation) by BSI of any rule or regulation promulgated under the Securities Act applicable to BSI and relating to action or inaction required of BSI in connection with any such registration, qualification or compliance; and BSI will reimburse Intergraph; each such underwriter and each person who controls Intergraph or such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, expense or action; provided, however, that the indemnity contained in this Section 4.1.6 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if settlement is effected without the consent of BSI (which consent will not unreasonably be withheld); and provided, further, that BSI will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based upon any untrue statement or omission based upon written information furnished to BSI by Intergraph, or such underwriter, or controlling person and stated to be for use in connection with the offering of securities of BSI.

(b) Intergraph's Indemnification of BSI. To the extent permitted by law, Intergraph will, if its BSI shares are included in the securities as to which such registration,

qualification or compliance is being effected pursuant to this Settlement Agreement, indemnify BSI, each of its directors and officers, each legal counsel and independent accountant of BSI, each underwriter, if any, of BSI's securities covered by such a registration statement, and each person who controls BSI or such underwriter within the meaning of the Securities Act, against all claims, losses, damages, liabilities or expenses (or actions in respect thereof) arising out of or based upon any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any 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 any violation (or alleged violation) by Intergraph of any rule or regulation promulgated under the Securities Act applicable to Intergraph and relating to action or inaction required of Intergraph in connection with any such registration, qualification or compliance; and will reimburse BSI, such directors, officers, partners, persons, law and accounting firms, underwriters or control persons for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, expense or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to BSI by Intergraph and stated to be specifically for use in connection with the offering of securities of BSI; provided, however, that the indemnity contained in this Section 4.1.6 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of Intergraph (which consent will not unreasonably be withheld); and provided further that Intergraph's liability under this Section 4.1.6 shall not exceed its proceeds from the offering of securities made in connection with such registration.

(c) Indemnification Procedure. Promptly after receipt by an indemnified party under this Section 4.1.6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 4.1.6, notify the indemnifying party in writing of the commencement thereof and generally summarize such action. The indemnifying party shall have the right to participate in and to assume the defense of such claim; provided, however, that the indemnifying party shall be entitled to select counsel for the defense of such claim with the approval of any parties entitled to indemnification, which approval shall not be unreasonably withheld; provided further, however, that if either party reasonably determines that there may be a conflict between the position of BSI and Intergraph in conducting the defense of such action, suit or proceeding by reason of recognized claims for indemnity under this Section 4.1.6, then counsel for such party shall be entitled to conduct the defense to the extent reasonably determined by such counsel to be necessary to protect the interest of such party. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to the ability of the indemnifying party to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 4.1.6, but the omission so to notify the indemnifying party will not relieve such party of any liability that such party may have to any indemnified party other than under this Section 4.1.6.

(d) Contribution. If the indemnification provided for in this Section 4.1.6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party,

in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission.

(e) Underwriting Agreement. Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Survival. The obligations of BSI and Intergraph under this Section 4.1 shall survive the completion of any offering of registrable securities in a registration statement under this Settlement Agreement, and otherwise.

4.2 Lock-Up Commitment. In connection with the IPO, Intergraph shall execute and deliver, in a form reasonably satisfactory to the underwriter(s) in the IPO, a form of "lock-up" agreement pursuant to which Intergraph will agree not to sell any of its BSI shares (other than those included in the IPO pursuant to Section 4.1 hereof) for a period equal to that lock-up period as contained in comparable "lock-up" agreements signed by the Bentleys who remain as BSI shareholders at the time of the IPO.

4.3 Proxy. At the Closing, Intergraph must execute and deliver to BSI an irrevocable proxy, covering the BSI shares owned by Intergraph, in the form attached hereto as Exhibit A. As long as such proxy remains in effect, Intergraph shall not acquire beneficial ownership of additional BSI shares.

SECTION 5

Provisions Applicable to All Parties

5.1 Bentley and Intergraph agree to keep confidential all of the terms and conditions of this Settlement Agreement and not disclose the terms and conditions to any third party except as may be required by or in connection with: (a) IRS, SEC or other similar domestic or foreign, federal, state or local reporting or disclosure requirements; (b) an order of a court of competent jurisdiction; (c) disclosures to accountants, advisors, lawyers and investors in the normal course of those parties' dealings with the Parties; or (d) a business transaction that requires the disclosure of such agreements or their terms under a confidentiality agreement which specifies that the terms and conditions of any confidential information will not be disclosed; provided, that (i) Intergraph's first public disclosure of this settlement in a report filed with the SEC under the Securities Act of 1934 shall include a statement that following the settlement, Intergraph's equity

interest in BSI was reduced to approximately 33%, and (ii) after either party makes a public disclosure of the terms and conditions of this Settlement Agreement, the other Parties may make disclosures of the same terms and conditions.

5.2 The Parties acknowledge that they have voluntarily entered into this Settlement Agreement, have had the advice of counsel regarding this Settlement Agreement, and are not acting under duress in entering into this Settlement Agreement.

5.3 This Settlement Agreement is not assignable.

5.4 Each party represents and warrants that it or he has the right and authority to enter into this Settlement Agreement and that this Settlement Agreement constitutes its or his valid and binding obligation.

5.5 Each party represents and warrants that it or he is the sole owner of the Released Claims being released by it or him and that it or he has not previously assigned or transferred to any person or entity any of the Released Claims.

5.6 This Settlement Agreement is governed by the law of the State of Delaware.

5.7 This Settlement Agreement may be executed in counterparts, which together constitute a single agreement.

5.8 This Settlement Agreement is the product of joint draftsmanship and will not be construed against one party more strictly than against the other.

5.9 The headings in this Settlement Agreement are inserted merely for the purpose of convenience and will not affect the meaning or interpretation of this Settlement Agreement.

5.10 The Parties understand, acknowledge and agree that if any matter of fact or law in their negotiations, discussions or correspondence regarding this Settlement Agreement is found hereafter to be different from the fact or law now known by them or any of them, they expressly accept and assume all risks of any such difference of fact or law, and they agree that this Settlement Agreement shall remain binding and effective notwithstanding any such difference of fact or law.

5.11 Upon Consummation of the Closing, the Parties shall execute an acknowledgement that Consummation of the Closing has occurred.

5.12 The Parties acknowledge and agree that all written agreements between or among them that are in effect on the date of the Closing shall remain in full force and effect following Consummation of the Closing.

5.13 This Settlement Agreement sets forth the entire agreement among the Parties with respect to the subject matter hereof and may not be amended or modified except by written agreement signed by the Parties, except that Section 4 may be modified by a written amendment or subsequent written agreement(s) signed by BSI and Intergraph.

BENTLEY SYSTEMS, INCORPORATED

By: /s/ David Nation

Its: Senior Vice President

/s/ Barry Bentley

BARRY BENTLEY

/s/ Raymond Bentley

RAYMOND BENTLEY

/s/ Scott Bentley

SCOTT BENTLEY

/s/ Gregory Bentley

GREGORY BENTLEY

/s/ Keith Bentley

KEITH BENTLEY

INTERGRAPH CORPORATION

By: /s/ Stephen J. Phillips

Stephen J. Phillips
Its: Executive Vice President

EXHIBIT A

IRREVOCABLE PROXY

Intergraph Corporation ("Intergraph") hereby appoints the Secretary of Bentley Systems, Incorporated ("BSI") as its proxy, with the power of substitution, to vote at any meeting of stockholders, or to express written consent or dissent with respect to, all shares of Class A Common Stock of BSI now or hereafter held of record by Intergraph and any entity controlling, controlled by or under common control with Intergraph, and all shares issued hereafter in respect of such shares as a dividend, stock split or combination, or share reclassification (collectively, the "Shares"), in each case in accordance with instructions from BSI's Board of Directors.

This is an irrevocable proxy, coupled with an interest, which is being granted pursuant to a Settlement Agreement and Mutual General Release dated April l, 1999, among Intergraph, BSI and other parties (the "Settlement Agreement"). Intergraph agrees that:

1. This irrevocable proxy shall remain in effect as to the Shares for a period expiring on March 31, 2001, unless sooner terminated as to all or some Shares;

2. Any sale or other transfer of Shares prior to BSI's IPO (as defined in the Settlement Agreement) shall be subject to this irrevocable proxy and the transfer of such Shares shall be conditioned upon the transferee's execution of a comparable irrevocable proxy and delivery of it to BSI;

3. Any sale or other transfer of Shares in the IPO or thereafter shall not be subject to this irrevocable proxy if the sale or transfer is an open market sale (not privately negotiated) or if the transferee in a privately negotiated transfer beneficially owns (as defined in Section 4 below), after such transfer, less than 5% of BSI's outstanding voting stock. Any other sale or transfer shall be subject to this irrevocable proxy and shall be conditioned upon the transferee's execution of a comparable irrevocable proxy and delivery of it to BSI.

4. This irrevocable proxy shall terminate at such time as the Bentleys (as defined in the Settlement Agreement) transfer beneficial ownership (as defined for purposes of Section 13(d) of the Securities Exchange Act of 1934) of more than 50% of the BSI shares owned collectively by them on the date hereof to third parties such that such shares cease to be beneficially owned by one or more Bentleys.

5. The certificates for Shares shall bear a legend disclosing that the Shares are subject to this irrevocable proxy.

INTERGRAPH CORPORATION

By: /s/ Stephen J. Phillips

Stephen J. Phillips
Title: Executive Vice President

Dated as of April l, 1999

OPENDWG ALLIANCE

FOUNDING MEMBERSHIP AGREEMENT
(Amended and Restated)

This Agreement, dated as of the date following the last signature below, is made and entered by and between the OpenDWG Alliance, a Washington nonprofit corporation (the "Alliance"), and the person named at the end of this document (the "Member").

RECITALS

A. The Alliance has been organized and established to promote the DWG drawing file format as an open, industry-standard format for the exchange of CAD drawings.

B. Member desires to become a member of the Alliance, upon the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

Accordingly, the Alliance and Member agree as follows:

SECTION 1. MEMBER'S RIGHTS

1.1 MEMBERSHIP CLASSIFICATION

Subject to the terms and conditions of this Agreement, Member will have, and will be entitled to exercise, all rights of a founding member of the Alliance, as such rights are specified from time to time in the bylaws of the Alliance. Member will furnish to the Alliance such documents (other than confidential, proprietary or trade secret information of the member) and other assurances as the Alliance may reasonably request from time to time to ensure that Member has and continues to meet the qualifications for membership in the founding member class as specified in the articles of incorporation and bylaws of the Alliance.

1.2 USE OF TOOL KIT

1.2.1 LICENSE

Promptly after Member and the Alliance have both signed this Agreement, the Alliance will furnish to Member the OpenDWG Toolkit, consisting of (a) the file format specifications (the "Specification") used by the OpenDWG libraries and (b) the OpenDWG libraries (the "Libraries" and, together with the Specification, the "Toolkit"), and the trademarked Alliance logo (the "Logo"). Subject to the terms and conditions of this Agreement, the Alliance grants to Member a perpetual, worldwide, nonexclusive, royalty-free license to do the following:

(i) use and modify the Specification for the purposes of developing, modifying or supporting Member's software applications (the "Member Applications");

(ii) use, modify, edit, port and otherwise create derivative works of the source code version of the Libraries for the purposes of developing, modifying or supporting the Member Applications;

(iii) reproduce, distribute (directly or indirectly) and sublicense the Libraries, in binary form only, as a part of the Member Applications;

(iv) disclose the Specifications and the source code version of the Libraries to Member's contractors for the limited purpose of developing Member Applications under contract with Member; provided, that such disclosure is made pursuant to a written nondisclosure agreement that protects the Specifications and Libraries from further disclosure or use; and

(v) use and reproduce the Logo in connection with Member's marketing, distribution and licensing of products containing or derived from the Libraries, subject to those guidelines and restrictions on use which the Alliance may adopt from time to time.

1.2.2 LIMITATIONS

Member acknowledges that the Member Applications must have significant value added over the contents of the Toolkit, and that the Toolkit is not intended to be distributed on a stand-alone basis or as a part of a software development kit or comparable product that is substantially similar to the Toolkit. The Toolkit is owned by the Alliance and its suppliers. The Alliance reserves all rights in the Toolkit other than those expressly granted in Section 1.2.1. Without limiting the generality of the foregoing, except as specifically permitted under Section 1.2.1(iv), Member will not (a) distribute or sublicense any copy of the Specifications or (b) distribute or sublicense any copy of the Libraries in source code form. In addition, Member will not export or reexport the Toolkit in violation of any law, regulation, order or other governmental requirement (including, without limitation, the U.S. Export Administration Act, regulations of the Department of Commerce and other export controls of the U.S.).

1.2.3 UPDATES

From time to time, the Alliance may furnish updates or enhancements to the Toolkit. All such updates or enhancements will be treated as part of the Specifications and the Libraries (as the case may be) and will be subject to the terms of this Agreement upon delivery to Member.

1.3 NOTICES

Member will include in any Member Applications all notices as contained or specified in the Toolkit.

1.4 WARRANTY DISCLAIMER; LIMITATION OF LIABILITY

The Toolkit is provided to Member "AS IS" AND WITH ALL DEFECTS AND ERRORS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE ALLIANCE HEREBY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IMPLIED WARRANTY ARISING FROM ANY COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE, IMPLIED WARRANTY OF NONINFRINGEMENT OR IMPLIED WARRANTY OF QUIET ENJOYMENT. THE ALLIANCE IS NOT LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY OR OTHER SIMILAR DAMAGES ARISING FROM BREACH OF THIS AGREEMENT OR OF ANY WARRANTY CONTAINED HEREIN, WHETHER ARISING IN CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), STRICT LIABILITY, EQUITY OR OTHERWISE, EVEN IF THE ALLIANCE WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

1.5 WEB LINKS

Upon Member's request, the Alliance will link Alliance's world wide web site (the "Alliance Web Site") to one page of one of Member's world wide web sites (the "Member Web Site"). Member will provide to the Alliance color artwork of Member's name and/or logo in the form and on the media specified by the Alliance to be included in the Alliance Web Site to denote the link to the Member Web Site. Provided that the Alliance complies with Member's instructions as to the inclusion of copyright, trademark and other

proprietary notices and complies with any request of Member to remove Member's name, logo or link from the Alliance Web Site, Member hereby releases and discharges the Alliance, and its agents and contractors, from any damages or liability to Member arising out of the placement of Member's name and/or logo in the Alliance Web Site or the failure to do the same, and from any other liability arising out or related to the link between the Alliance Web Site and the Member Web Site.

SECTION 2. MEMBER'S COVENANTS AND OBLIGATIONS

2.1 BYLAWS, RULES AND POLICIES

Member will perform its obligations as a member of the Alliance and comply with the bylaws, policies, procedures, plans, rules and determinations made by the Alliance, its Board of Directors or committees thereof (collectively, the "Rules"), with respect to all matters concerning the responsibilities and authority delegated by the members to the Alliance, as set forth in the articles of incorporation and bylaws of the Alliance.

2.2 PAYMENT OF DUES AND EXPENSES

As a member of the Alliance, Member will pay, in accordance with this Agreement and the Rules, all dues, fees and assessments imposed or levied by the Alliance for the founding member class. Without limiting the generality of the foregoing, the Board of Directors of the Alliance is authorized to determine whether or not the Alliance will require regular dues from its members and the amount of any such dues. The fees, dues and assessments payable by Member under this Agreement will be paid at such times as are determined by the Alliance. All amounts will be due and payable in United States dollar currency within thirty (30) days from the date set by the Alliance for payment. All dues, fees and assessments imposed or levied by the Alliance are nonrefundable and may not be prorated, but credit for such amounts may be transferred or assigned in accordance with Section 6.2.

2.3 OBLIGATION TO FURNISH INFORMATION

Member acknowledges that the intent of the Alliance is to promote the DWG drawing file format as an open, industry-standard format for the exchange of CAD drawings by obtaining and sharing information and knowledge regarding the same. Accordingly, Member will disclose and deliver to the Alliance:

(a) all modifications, clarifications and corrections to the Specification,

(b) all bug fixes, modifications and enhancements to the Toolkit, and

(c) any other information and knowledge regarding the format of DWG files read and written by Autodesk's AutoCAD products, whether obtained by Member's own efforts or from a third party ((a) through (c) collectively, the "Member Information").

Notwithstanding subsections (a) through (c) above, Member is under no obligation to disclose Member Information where such disclosure would: (i) violate any applicable statute; (ii) breach any contractual limitation or confidentiality agreement entered into by Member, or (iii) require Member to disclose any of its own confidential or proprietary information.

Member hereby grants the Alliance a nonexclusive, perpetual, fully-paid, irrevocable, royalty free license to reproduce, edit, modify, publish, distribute, sublicense to other members pursuant to their Membership Agreements and otherwise exploit the Member Information delivered or disclosed to Alliance pursuant to this Section 2.3. Member Information is provided to the Alliance "AS-IS" and without warranty of any kind. Section 1.4 applies mutatis mutandis disclosures of Member Information by a Member to the Alliance, where "Toolkit" in such section is replaced with "Member Information."

2.4 USE OF MEMBER'S NAME AND LOGO

Member hereby grants the Alliance permission to use Member's name and logo to identify Member as a member of the Alliance in connection with promotional and marketing activities of the Alliance. Alliance shall ensure that Member's copyright, trademark or proprietary notice is reproduced as nearly identical as is practicable in all methods in which such name and logo are displayed.

SECTION 3. ACKNOWLEDGMENTS AND REPRESENTATIONS

3.1 NONPROFIT CORPORATION

Member understands and acknowledges that the Alliance has been organized as a nonprofit corporation and that all amounts paid by or on behalf of Member to the Alliance will constitute dues, fees or assessments related to membership in the Alliance and will not be deemed as an investment or purchase of any ownership interest in the Alliance.

3.2 REPRESENTATIONS

Member represents and warrants to the Alliance that:

(a) The principal office of Member is at the address shown under the signature of Member's authorized representative at the bottom of this Agreement;

(b) Member has been duly authorized to enter into this Agreement; and

(c) Member has received and reviewed the articles of incorporation and bylaws of the Alliance and understands its duties and obligations associated with membership in the Alliance.

3.3 ACKNOWLEDGMENTS

Member acknowledges that, prior to the execution of this Agreement, it has had the opportunity to ask questions of and receive answers or obtain additional information from a representative of the Alliance concerning the financial and other affairs of the Alliance and the duties and obligations associated with being a member of the Alliance, and, to the extent it believes necessary in light of its knowledge of the Alliance's affairs, it has asked such questions and received satisfactory answers. Member has carefully read this Agreement and, to the extent it believes necessary, it has discussed the representations, warranties and agreements which it makes by signing this Agreement with its counsel and representatives of the Alliance.

SECTION 4. TERMINATION AND SUSPENSION OF MEMBERSHIP OR SERVICES

4.1 TERMINATION BY MEMBER

Member may terminate its membership in the Alliance and its obligations under this Agreement effective upon thirty (30) days' advance written notice to the Board of Directors of the Alliance, provided, however, that such termination will not relieve Member of any liabilities or obligations incurred prior to the effective date of termination. Member's membership automatically terminates upon the voluntary or involuntary dissolution of the Alliance.

4.2 TERMINATION BY ALLIANCE

The Alliance may terminate Member's membership in the Alliance and this Agreement if Member fails to adhere to any Rules or breaches any material provision of this Agreement (including, without limitation, Sections 2.1, 2.2 and 2.3), and further fails to remedy such failure or breach within thirty (30) days

following receipt of written notice from the Alliance. The Alliance's right to terminate Member's membership in the Alliance is in addition to any other rights and remedies that may be available to the Alliance, whether at law, in equity or otherwise.

4.3 EFFECT OF TERMINATION

Upon any termination of this Agreement, Sections 1.2.1, 1.2.2, 1.3, 1.4, 2.2, 4.3, 5 and 6, (together with such other provisions which reasonably can be construed as surviving termination) will survive termination of this Agreement.

Upon termination of this Agreement by the Alliance for Member's violation of Section 1.2.2, Member shall return to the Alliance all source code for the Libraries of the Alliance together with any and all copies thereof (including any modified, partial or merged versions), and will deliver to the Alliance a certificate executed by an officer of Member certifying that it no longer has any copies of the same in its possession or control, and has requested that any third parties to which it has disclosed the information pursuant to Section 1.2.1(iv) destroy or return the same to the Alliance. Upon termination of this Agreement by the Alliance for Member's violation of Section 1.2.2, Member and any end user may continue to use Member Applications employed prior to such termination.

SECTION 5. LIMITATIONS OF LIABILITY AND INDEMNIFICATION

5.1 LIMITATIONS OF LIABILITY

MEMBER AGREES THAT IN EXERCISING ITS RIGHTS AND AUTHORITY UNDER THIS AGREEMENT OR THE RULES, NEITHER THE ALLIANCE OR ANY MEMBER OR AGENT ACTING AT THE REQUEST OR ON BEHALF OF THE ALLIANCE, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, WILL, BY VIRTUE OF THIS AGREEMENT OR THE ARRANGEMENTS DESCRIBED HEREIN, HAVE ANY FIDUCIARY OBLIGATION TO MEMBER OR ANY OF ITS AFFILIATES. IN NO EVENT WILL THE ALLIANCE OR ANY MEMBER OR AGENT ACTING AT THE REQUEST OR ON BEHALF OF THE ALLIANCE, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, BE LIABLE TO MEMBER FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, WHETHER BASED UPON BREACH OF CONTRACT, TORT, STRICT LIABILITY OR OTHER LEGAL THEORY, ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE ACTIVITIES UNDERTAKEN BY THE ALLIANCE, EXCEPT THAT THE FOREGOING WILL NOT RELIEVE THE ALLIANCE OR ANY OF ITS MEMBERS FROM LIABILITY FOR ANY WILLFUL MISCONDUCT OR ANY BREACH OF AN OBLIGATION OF CONFIDENTIALITY.

5.2 THIRD-PARTY BENEFICIARIES

The limitations set forth in this Section 5 will inure to the benefit of all members or agents of the Alliance acting at the request or on behalf of the Alliance, and their respective officers, directors, employees and agents, each being an intended third-party beneficiary of the provisions of Section 5 of this Agreement.

SECTION 6. MISCELLANEOUS

6.1 NOTICES

Any notices required or permitted to be given or made under this Agreement will be in writing. Such notices will be deemed to be duly given on the earliest of (a) actual receipt, irrespective of whether communicated in person, by telephonic facsimile, telegraph, teletype, electronic mail or other form of wire or wireless communication, or by mail or private carrier or other method in which the writing is to be read by the

recipient, or (b) on the fifth day after mailing by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to the Alliance:	OpenDWG Alliance 1420 Fifth Avenue, 22nd Floor Seattle, Washington 98101 Tel. 206.224.5655
Attention:	Executive Director
If to Member:	Bentley Systems, Incorporated 685 Stockton Drive Exton, Pennsylvania 19341-0678 Tel 610 458 5000
Attention:	President
With copy to:	General Council

Either Member or the Alliance may from time to time change its address for notification purposes by giving the other party written notice of the new address and the date upon which it will become effective.

6.2 ASSIGNMENT

Subject to any limitations set forth in the bylaws of the Alliance, Member will be entitled to assign its rights and obligations under this Agreement to any affiliated corporation or other business entity and to any successor, by sale, merger or other business combination, to all or substantially all of its business and assets, provided the successor assumes all obligations of Member under this Agreement and agrees in writing to be bound hereby.

6.3 NONWAIVER

No delay or omission by any party hereto to exercise any right or power under this Agreement will impair such right or power or be construed to be a waiver thereof. A waiver by either of the parties hereto of any of the covenants to be performed by the other or any breach thereof will not be construed as a waiver of any succeeding breach thereof or of any other covenant herein contained.

6.4 SEVERABILITY

If any provision of this Agreement or the application thereof to any person or circumstance is, to any extent, held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions or applications of the Agreement will in no way be affected or impaired thereby.

6.5 APPLICABLE LAW

This Agreement will be interpreted, construed and enforced in all respects in accordance with the laws of the State of Washington without reference to its choice of law rules. Both parties acknowledge the jurisdiction of, and hereby irrevocably consent to, venue solely in the state and federal courts located in King County, Washington for any disputes or actions arising from this Agreement.

6.6 ENTIRE AGREEMENT

This Agreement sets forth the entire agreement, and supersedes any and all prior written and oral representations, and agreements, between the parties with respect to the subject matter hereof, including without limitation all prior OpenDWG Alliance membership agreements. This Agreement may not be modified or amended except by written instrument duly executed by an authorized representative of each party. Any attempted or purported amendment, modification or waiver that does not comply with this requirement will be null and void. In the event of any conflict between the terms and conditions of this Agreement, and the terms and conditions of any other agreement between the parties now or hereafter in effect, the terms and conditions of this Agreement will govern and control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the date indicated below as being accepted on behalf of the Alliance.

Member:	Bentley Systems, Incorporated
Address:	685 Stockton Drive, Exton PA 19341
Telephone:	(610) 458-5000
Facsimile:	(610) 458-1060
By:	/s/ Gregory S. Bentley
Title:	President
Print Name:	Gregory S. Bentley
Date:	8/5/99

Agreed and Accepted on behalf of:

OPENDWG ALLIANCE

By:	/s/ Evan C. Yares
Title:	Executive Director
Print Name:	Evan C. Yares
Date:	Aug. 4, 1999

PRODUCT INTEGRATION AND MARKETING AGREEMENT

This Agreement is effective as of the 13th day of October, 1997 (the "Effective Date") between Electronic Data Systems Corporation, a Delaware corporation ("EDS") and Bentley Systems, Incorporated, a Delaware corporation ("Company"). References herein to Company shall include Company and any of its Affiliates which exercise any of the rights and licenses set forth in Article III herein.

WHEREAS, EDS is the owner of the Parasolid(R)* Software program; and

WHEREAS, Company is the owner of certain software programs; and

WHEREAS, Company wishes to obtain and EDS wishes to grant to Company a license to embed a portion of Parasolid Software into such products and to market such integrated programs on a commercial basis;

NOW THEREFORE, the parties hereto, intending to be legally bound, in consideration of the payments made, or to be made, as set forth herein, the mutual promises and covenants herein contained, and for other good and valuable consideration, hereby agree as follows:

ARTICLE I. DEFINITIONS

1.1 Affiliated Products shall mean the software programs owned or licensed by Company and any related user manuals, support materials and instructions for use published from time to time, and any release, version or enhancement thereto.

1.2 Affiliates shall mean company subsidiaries and other entities, controlled by Company. "Control" means ownership of more than fifty percent (50%) of the outstanding shares or securities (representing a right other than as affected by events of default, to vote for election of directors or other managing authority) of a particular entity.

1.3 Company Distributors shall mean third parties to whom Company may grant the right to demonstrate, market, distribute, reproduce, sublicense and support the Integrated Products.

1.4 Company Subdistributors shall mean third parties who are authorized by Company Distributors to sublicense the Integrated Products to Licensees and to provide associated demonstration, marketing, distribution and support.

1.5 Covered Territory shall mean the countries listed in Schedule E hereto in which territories EDS licenses the Parasolid Software and all countries in which EDS licenses the Parasolid Product in the future.

- ----------

* Parasolid is a registered trademark of Electronic Data Systems Corporation.

1.6 Embedded Material shall mean the object code portions of the Parasolid Product contained within the Integrated Products along with portions of the Parasolid Documentation incorporated within the Integrated Products.

1.7 Integrated Products shall mean Affiliated Products with the Embedded Material embedded therein as identified in Schedule D hereto, including any other related user manuals, support materials and instructions for use containing Embedded Material that are published from time to time, and any release, version, successor or enhancement thereto and all Affiliated Products subsequently developed to which the Embedded Material is added.

1.8 Licensee shall mean any third party to whom Company, Company Distributors and Company Subdistributors sublicenses the Integrated Products in accordance with the terms of this Agreement.

1.9 Parasolid Documentation shall mean the user documentation related to the Parasolid Software and provided for use with the Parasolid Software, including, but not limited to, user manuals, support materials and instructions for use, and any revised or additional documentation subsequently provided to Company by EDS.

1.10 Parasolid Product shall mean both Parasolid Software and Parasolid Documentation.

1.11 Parasolid Software shall mean EDS' Parasolid Software program described in further detail in Schedule A and provided to Company in object code form under this Agreement and any release, version or enhancement thereto subsequently provided generally by EDS or any assignees or transferees of such programs to its other similarly situated licensees or customers.

1.12 Parasolid Uncommented Source Code shall mean the ASCII codes for generation of Parasolid Software with all commentary information removed and any further obfuscation that EDS determines is necessary.

1.13 Parasolid Commented Source Code shall mean the complete and fully-commented source code for the Parasolid Software including programmer's comments, development tools and the pre-compiler source code written in human readable form.

1.14 Territory shall mean the countries of the world subject to the restrictions contained in Article 13.1 of this Agreement.

1.15 Third Party Consultants shall mean third party, independent consultants identified in Schedule G which Company may retain to provide development services to assist in the creation of the Integrated Products. Schedule G may be amended upon EDS written consent not to be unreasonably withheld.

ARTICLE II. DISTRIBUTORSHIP APPOINTMENT, TERRITORY

2.1 Appointment. During the Term of this Agreement, EDS appoints Company (and consents to the sublicense by Company to Company Distributors and to their sublicense

to Company Subdistributors), and Company accepts such appointment as non-exclusive distributor: (i) to market, distribute, support, demonstrate, manufacture or to have manufactured, reproduce, to have reproduced and sublicense the Embedded Material within the Territory, only when embedded within the Integrated Products, for use exclusively within the Territory; and (ii) to provide to such Licensees maintenance services for the Embedded Material, all in accordance with the terms of this Agreement. No company shall be appointed which is known by Company to be engaged in a dispute or litigation with EDS relating to such company's failure to abide by a technology license or distribution obligations to EDS, or relating to an intellectual property right of EDS, or which has been identified by EDS in writing in advance as objectionable. In evaluating, qualifying and selecting new Distributors and Subdistributors, Company and its Distributors shall consider the candidate's sales, training and support capabilities, financial condition, reputation, experience of previous customers, representation of competitive products, and willingness to accept the terms of the applicable distributor agreement to include, without limitation, the Distributor and Subdistributor flow down requirements of this Agreement.

2.2 Territory. Company shall not authorize Company Distributors or Company Subdistributors or Licensees to export or reexport the Integrated Products to any country specified as a prohibited destination accordance with applicable U.S. laws, regulations and ordinances, including the Regulations of the U.S. Department of Commerce and/or other governmental agencies. Company agrees to defend, indemnify and hold harmless EDS from and against any claim, loss, liability, expense, or damage (including fines and legal fees) incurred by EDS with respect to any breach of this obligation.

Company will comply with all Territorial laws and regulations and, at its sole expense, shall make all filings and obtain all governmental approvals required in each country contained therein with respect to the licensing and protection of the Embedded Material, including, without limitation, import license and technology transfer laws, that may be necessary to realize the purposes of this Agreement ("Governmental Approvals"). Although Company will be responsible for obtaining the necessary Government Approvals at its sole cost and expense, EDS shall provide Company with reasonable assistance in obtaining Governmental Approvals and Company will reimburse EDS for any reasonable, direct costs associated with such assistance. Company shall use reasonable efforts not to commence or continue marketing or sublicensing Embedded Material in any jurisdiction outside of the Covered Territory in which Company knew at a management level of director or more senior that such activity would, as of the time such activity is commenced or continued, prejudice EDS' proprietary rights in the Parasolid Product under the laws or business customs of that jurisdiction.

ARTICLE III. SOFTWARE LICENSE GRANT

3.1 Grant of Parasolid Product & Embedded Material License.

A. EDS grants to Company and Company accepts from EDS the following nonexclusive, nontransferable (except as provided herein) licenses:

I. To duplicate and use, a reasonable number of copies of the Parasolid Product for the sole purpose of developing the Integrated Products.

II. To duplicate and use a reasonable number of copies of the Integrated Products including the Embedded Material, in executable form only, for the sole purpose of demonstrating the Integrated Products.

III. To market, distribute and sublicense an unlimited number of copies of the Embedded Material to Licensees for any term of usage in accordance with the terms of this Agreement, in executable form only and only when embedded within the Integrated Products.

IV. To duplicate and use a reasonable number of copies of the Parasolid Product, for the purpose of providing maintenance and support services to the Company Distributors, Company Subdistributors and Licensees in accordance with the terms of this Agreement.

V. If Parasolid Uncommented Source Code is provided subject to Article 14.1, to duplicate and use a single copy of the Parasolid Uncommented Source Code for the purpose of porting to and performing investigations of new hardware and software platforms or to investigate and define problems, including the creation of emergency bug fixes.

VI. To duplicate the Embedded Material as a portion of the Integrated Product for distribution to Licensees in accordance with the terms of this Agreement.

VII. To allow Company, Company Distributors or Company Subdistributors to contract with third parties to provide duplication service for the Integrated Products for the sole purpose of providing such copies to Company or providing such copies directly to Licensees, subject to execution of a non-disclosure agreement with such parties with terms no less stringent than those with which Company must comply hereunder.

VIII. To allow Company to provide EDS Confidential Information (including the Parasolid Product) to Third Party Consultants only after such Third Party Consultant has entered into a written confidentiality agreement with terms no less restrictive than as set forth in this Agreement. Any such confidentiality agreement will specifically include, but not be limited to, language which prohibits such Third Party Consultants from (i) using EDS Confidential Information for any other purpose other than developing the Integrated Products for Company and (ii) distributing or marketing all or any portion of the output of any development effort that uses EDS Confidential Information.

IX. To duplicate the Embedded Material when contained within the Integrated Product to potential Licensees for the purposes of evaluation ("Evaluation Licenses"). Such copies shall be subject to the requirements of Article 3.6 and the term of Evaluation Licenses shall not exceed ninety (90) days. Company shall require the Licensee with an Evaluation License to either destroy, disable or

return the Integrated Products to Company, Company Distributor or the Company Subdistributor, as applicable, upon expiration of the evaluation period. It shall be the responsibility of Company to assure that potential Licensees are advised in writing of any disabling devises that may be included within the Integrated Product.

X. To provide an Application Program Interface (API) as, or as part of, an Integrated Product which provides access to the Parasolid Software via Company's own programming interface functions. Company may not provide direct access to the Parasolid Software API. Company may incorporate portions of the Parasolid Documentation, creating derivative works therefrom, to document those parts of Company's API which utilize the Parasolid Software.

B. EDS grants to Company the right to further sublicense the rights granted pursuant to Article 3.1A (exclusive of Articles 3.1A(I), 3.1A(V), 3.1A(VI) and 3.1A(VIII)) to Affiliates and to Company Distributors (with a right of further sublicense to Company Subdistributors). The sublicense to Company Distributors and Company Subdistributors is conditioned upon execution of (or previous execution of) a license agreement with Company or Company Distributor that is no less stringent than the agreement executed between Company and EDS.

Except as set forth above, Company may not copy the Parasolid Software except as required for back-up, archival or emergency restart purposes, or to replace a worn copy. Company shall not cause or authorize the modification, reverse engineering, disassembly or decompilation of the Parasolid Software or any portion thereof. EDS reserves all rights in the Parasolid Software, Parasolid Documentation, Parasolid Uncommented Source Code, Parasolid Commented Source Code and Embedded Materials not expressly granted in this Agreement.

C. Notwithstanding the rights granted in Paragraphs A and B of Article 3.1 above, Company will not undertake and will not assist Company Distributors or Company Subdistributors in any advertising campaigns or marketing or promotion programs for the Integrated Products specifically targeting the EDS product known as Unigraphics or making inaccurate or false assertions concerning the data compatibility between Unigraphics and Company's Integrated Products. This restriction does not prohibit Company, Company Distributors or Company Subdistributors from, among other activities, (i) undertaking any advertising campaigns, marketing or promotional programs for Integrated Products addressed to the marketplace, specific industries, or collectively to the customers of Company's principal competitors, or (ii) licensing to any Unigraphics licensee. Company represents that it has a clause in its Company Distributor agreements and it is an obligation of Company Distributors to impose on Company Subdistributors a provision that states, in general that, Company Distributors are prohibited from making false claims concerning Company Products. Company will promptly and actively enforce and discipline Company Distributors and Company Subdistributors that use or attempt to use marketing campaigns against the EDS owned product Unigraphics that are based on false

claims. The parties agree that if EDS acquires the product now called Solid Edge, this product or any derivatives thereof shall not be included in the definition of Unigraphics as it relates to this Article 3.1.C.

3.2 Enforcement. Company will diligently enforce the terms of the agreements of Company, Company Distributors and Company Subdistributors related to restrictions on use, confidentiality, duplication and reverse engineering of the Integrated Products. If EDS receives information which reasonably supports the conclusion that a Company Distributor or a Company Subdistributor is in breach of any provision of its distributor agreement, EDS will issue written notice and Company shall enforce or shall cause such Company Distributors to enforce such agreement and EDS may require that Company promptly deliver to EDS a copy of the applicable distributor agreement and shall provide reasonable cooperation to EDS with any reasonable action deemed appropriate by EDS. EDS is a third party beneficiary to and shall have the right to enforce such agreements directly if desired by EDS.

3.3 Injunctive Relief. Both EDS and Company will be entitled to injunctive relief, including preliminary and other interim relief, against any violation of the provisions of this Agreement relating to the Confidential Information (as defined in Article 10.2) of either party. Both parties agree that any violation of Articles 3.5, 3.7, or Article X would cause "irreparable injury" for purposes of an injunction hearing only.

3.4 Ownership. Parasolid Software, Parasolid Documentation, Parasolid Uncommented Source Code, Parasolid Commented Source Code and the Embedded Material together with all modifications thereof and all copies thereof shall remain the sole property of EDS and shall be subject to the provisions of this Agreement. Company will have no rights in or to the Parasolid Software, Parasolid Documentation, Parasolid Uncommented Source Code, Parasolid Commented Source Code or the Embedded Material except as stated in this Agreement. Company shall own all right, title and interest throughout the world, including without limitation, patent, copyright and trade secret rights, in the Affiliated Products and the Integrated Products except with respect to the Embedded Material.

3.5 Copyright. Company acknowledges that EDS claims copyright protection in the Parasolid Software, Parasolid Documentation, Parasolid Uncommented Source Code, Parasolid Commented Source Code and the Embedded Material. Company will not copy or make any modifications to any portion thereof, for any purposes, except as permitted by this Agreement or otherwise agreed to in writing by EDS. EDS acknowledges that Company claims copyright protection in Affiliated Products exclusive of the Embedded Materials. Company and EDS agree that the respective copyright notices will appear in the section where Company acknowledges other licensor's technology and substantially as set forth in Schedule B to this Agreement. In duplicating the Parasolid Software and the Parasolid Documentation, Company will reproduce all copyright and other proprietary rights notices contained in or affixed to the respective Parasolid Software and Documentation. Company will not add to, remove, obstruct, conceal, change or deface any trademark, logo or other commercial designation of EDS on or in, or permanently affixed or attached to, the Parasolid Software or the Parasolid Documentation. Company

shall indemnify and hold harmless EDS against any loss, cost, or expense, including reasonable attorney fees, suffered by EDS as a direct result of Company's use of a copyright or proprietary notice that does not substantially conform to Schedule B.

3.6 Embedded Material Sublicense Requirements. Company shall and shall cause the Company Distributors and Company Subdistributors to deliver with every Integrated Product delivered to a Licensee a sublicense agreement (a "Software License Agreement") which shall substantively provide that:

I. The Licensee may use the Integrated Product for internal use only in the Territory;

II. The Licensee is granted a nonexclusive license as set forth in the applicable license agreement, and may not transfer or further sublicense the Integrated Products without Company's written approval;

III. The Licensee may not provide access to or use of the Integrated Products to any third parties without restrictions on confidentiality;

IV. A statement that the Integrated Products contain and consist of proprietary and confidential trade secret information of Company and its licensors and Licensee shall hold the Integrated Product and such information in strict confidence and shall take at least the same precautions to protect the confidentiality of the Integrated Products and such information as it takes for its own confidential and proprietary information of like importance, but in no event less than reasonable care. Licensee agrees further not to disclose, provide or otherwise make available the Integrated Products or such information in any form to any person other than Licensee's employees with a need to know;

V. The Licensee may not remove any proprietary notice or other legend from the Integrated Products and shall reproduce such proprietary notice or legend within and/or upon any copies and partial copies thereof;

VI. The Licensee shall not translate, decode, disassemble, decompile, alter or reverse engineer Integrated Products, use the Integrated Products or documentation sets accompanying the Integrated Products to develop functionally similar computer software;

VII. The Licensee may not copy the Integrated Products beyond making archive or backup copies thereof and otherwise as may be permitted by the Software License Agreement;

VIII. The Licensee acknowledges that the Integrated Products may contain software and technical data which may be subject to United States, United Kingdom and other countries laws and regulations regarding export of software and technical data. Licensee agrees to comply with the export laws and regulations of the United States and the United Kingdom as they apply to exports of the Integrated

Products. In the event that U.S. and United Kingdom laws are in conflict, the more restrictive law shall prevail.

IX. Licensee understands that neither Company nor its suppliers are responsible for Licensee's use of the Integrated Product or the results from such use. Company shall include language which limits its supplier's liability for a breach of Company's maintenance service obligations to a maximum of the fees paid by the Licensee to Company.

In addition, all Software License Agreements shall include all provisions that may be (i) required by the laws of the jurisdictions in which the Licensee is located; (ii) required by U.S. laws applicable to the license and delivery of technology abroad by persons subject to the jurisdiction of the U.S.; and (iii) required by United Kingdom laws applicable to the license and delivery of technology abroad by persons subject to the jurisdiction of the United Kingdom.

The parties agree that a shrink-wrap license agreement which contains the provisions to the effect of those set forth above, will be sufficient to satisfy the requirements of this Article 3.6. Such shrink-wrap license agreement will be packaged with a registration card ("Registration Card") which will contain a statement that the Licensee agrees to be bound by the terms of the Software License Agreement.

3.7 Licensing to the U.S. Government. When licensing to the United States Government and/or its Agencies, Company will license the Integrated Products under Company's commercial agreement terms. If licensing under United States Government contract provisions, Company will apply appropriate Restricted Rights legends to the Integrated Products and will take all reasonable steps to ensure that the rights granted are Restricted Rights to commercial computer software developed at private expense as prescribed under the clauses listed below or their successor provisions, as applicable:

-DFARS 252.227-7013, Rights in Technical Data and Computer Software.

-DFARS 252.227-7037, Validation of Restrictive Markings on Technical Data.

-NFARSUP 18-52.227-86 Commercial Computer Software - Licensing.

-NFARSUP 18-52.227-19 Commercial Computer Software - Restricted Rights.

-FAR 52.227-14, Rights in Data-General.

-FAR 52.227-19, Commercial Computer Software - Restricted Rights.

When licensed to the U.S. Government, Company will apply appropriate Restricted Rights legends to the Integrated Products and will take all reasonable steps to ensure that the Integrated Products are treated as restricted rights commercial computer software under the appropriate clauses listed above. Company shall indemnify EDS and hold it harmless against any loss or damage EDS may suffer as a result of Company's breach of its obligations set forth in this Article 3.7.

In the event the U.S. Government challenges Company's claim of rights in the Integrated Products and/or of its right to assert restricted rights in the Integrated Products against the U.S. Government, Company agrees to use reasonable efforts to provide such proof as

may be required to substantiate its claim in accordance with the above named clauses. Upon Company's request, EDS agrees to cooperate with Company to provide such proof as may be required to substantiate Company's claim with the above named clauses relative to the Embedded Material. Company agrees further to notify EDS of such challenge promptly and to permit EDS, at its own risk and expense, to participate in the defense of such challenge.

Company represents and warrants that (i) the Affiliated Products or portions thereof developed by Company have not been developed under a government contract and (ii) the Affiliated Products or portions thereof licensed to Company by third parties have been developed at private expense and not under a government contract. Company agrees further that it will not employ public funds in the development of the Integrated Products or any modifications, enhancements or versions thereof which result in a grant to any governmental entity of any ownership in or of the Embedded Materials.

3.8 Enforcement for Licensees. Company will use reasonable efforts to enforce diligently against the Licensee the Software License Agreement provisions related to restrictions on use, confidentiality, duplication and reverse engineering of the Integrated Products. If EDS receives information which reasonably supports the conclusion that a Licensee is in breach of any such provision of its Software License Agreement, EDS will issue written notice and Company shall enforce and cause Company Distributors to enforce such Software License Agreement and EDS may require that Company promptly deliver to EDS a copy of the applicable Software License Agreement including the executed Registration Card, if such Registration Card has been returned to Company, and shall provide its reasonable cooperation to EDS with any action deemed appropriate by EDS. Company's obligations under this Article 3.8 will survive termination or expiration of this Agreement.

ARTICLE IV. TRADEMARKS

4.1 Trademark License and Use. EDS hereby grants to Company and Company hereby accepts a nonexclusive, royalty-free license in the Territory to use the trademark "Parasolid" and such other trademarks (other than "EDS" or any form thereof) as EDS may adopt with respect to the Parasolid Product, which EDS shall provide written notice to Company of (the "Trademarks"), and to grant Company Distributors and Company Subdistributors a license to use the Trademarks, in connection with the licensing, marketing and distribution of the Integrated Products hereunder, subject to the restrictions on use contained herein.

4.2 Trademark Notices. Marketing materials used by Company, Company Distributors and Company Subdistributors with respect to the Integrated Products that contain the EDS Trademarks shall insert the appropriate designation (TM for unregistered trademarks and a capital R surrounded by a circle for registered trademarks) provided by EDS following the first conspicuous use thereof and shall also contain the following legend: "Parasolid is a registered trademark of Electronic Data Systems Corporation", and such other trademark notices and legends as EDS may reasonably require.

4.3 EDS' Goodwill and Proprietary Rights. Company recognizes the substantial goodwill associated with the Trademarks and acknowledges that such goodwill belongs exclusively to EDS. EDS shall from time to time communicate to Company quality standards associated with the Trademarks and Company agrees to abide and comply with any reasonable request of EDS to examine the use of such Trademark and compliance with EDS' quality standards. Upon EDS' request, Company shall deliver to EDS a list of the jurisdictions in which Company has commenced marketing the Integrated Products. Upon EDS' further request, Company shall deliver to EDS free of cost twelve (12) specimens of each of the Trademarks in each jurisdiction in which such Trademark is used by Company for trademark registration purposes in compliance with application laws; provided that Company shall have no obligation to use the Trademarks and EDS shall have no obligation hereunder to obtain any such registration. Company shall provide reasonable assistance in connection with any such registrations as EDS may request.

ARTICLE V. COMPANY OBLIGATIONS

5.1 Company Obligations. During the Term of this Agreement, Company will comply with its obligations set forth below:

I. Except with respect to the initial disclosure of the Parasolid Product from EDS to Company and EDS' obligations pursuant to Article 6.1, Company will obtain all necessary import and export licenses for the Integrated Products.

II. Company will notify EDS of any transfer of the Parasolid Product (except when incorporated into an Integrated Product), from the Designated Location as defined in Article 7.2 to another Company owned or controlled Designated Location or a Third Party Consultant. Company is prohibited from transferring the Parasolid Commented Source Code or the Parasolid Uncommented Source Code from the Designated location as defined in Article 7.2 without EDS' prior written consent.

III. Company will not use, disclose, copy, modify, amend or alter the Parasolid Software or any part thereof, or induce or procure any person to do the same, except as otherwise set forth in this Agreement.

IV. Company will diligently promote, license, support and maintain the Integrated Products in the Territory using commercially reasonable efforts commensurate with the type of product and scope of the potential market; provided, however, that Company does not guarantee any minimum royalty pursuant to Article VIII; except for Flat Royalty Fees as described in Schedule F to this Agreement if such fees are in accordance with such schedule.

V. Company will be responsible for providing to all Licensees under any applicable warranty or maintenance agreement between Company and Licensees all first-line support for the Integrated Products, including hot-line telephone support, and general customer support services.

VI. Company will ensure that proper audit controls and operating methods are implemented by Company, Company Distributors and Company Subdistributors to protect the Integrated Products, including establishing adequate procedures and safeguards with respect to the non-disclosure of the Integrated Products by Company. EDS agrees that disclosure of the Integrated Products to a Licensee in accordance with Article 3.6 hereof and execution of a distributor agreement between Company and Company Distributors and between Company Distributors and Company Subdistributors will presumptively meet the requirements of this Article 5.1(VI).

ARTICLE VI. EDS OBLIGATIONS AND REPRESENTATIONS

6.1 EDS Obligations. During the Term of this Agreement, EDS will comply with its obligations set out below:

I. EDS will provide Company with maintenance services in accordance with Article IX hereof and any additional technical support services relating to Parasolid Product which may be agreed to in writing between EDS and Company from time to time.

II. EDS will diligently work towards the completion of the development services described in Schedule C as applicable upon the time frame and costs set forth therein ("Development Services").

III. EDS will keep Company informed periodically of EDS' intentions for further development of Parasolid Software.

IV. EDS shall not unilaterally attempt to cancel this Agreement during the initial [* * *] term except in the event of Company's material breach of its obligations hereunder after following the process described in Article 12.2.

V. EDS represents that to the best of its knowledge, there is no current pending claim or litigation against EDS which involves the Parasolid Product which may adversely affect EDS' ability to perform its obligations or diminish Company's rights under this Agreement and EDS will promptly inform Company of any pending claim or litigation throughout the Term of this Agreement.

VI. EDS has and will continue to use commercially reasonable efforts to render the Parasolid Software, Embedded Materials and Parasolid Uncommented Source Code free of computer viruses throughout the Term of this Agreement.

VII. EDS will not include, without providing Company with prior written notice, throughout the Term of this Agreement, any features which will disable the Parasolid Software or render the Parasolid Software incapable of operation.

VIII. EDS in performing this Agreement, will comply with all applicable existing and future laws and regulations.

- ----------

* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

ARTICLE VII. DELIVERY/INSTALLATION

7.1 Delivery/Installation. Upon execution of this Agreement, EDS will cause the delivery of one (1) copy of the Parasolid Product to Company at the address designated in Article 7.2 below ("Designated Location"), within fifteen (15) days after execution of this Agreement subject to Company's payment of all tariffs, duties, taxes, shipping and insurance expenses and all other charges and related amounts associated with the shipment and delivery of the Parasolid Product.

Installation of the Parasolid Product shall be the responsibility of Company and shall be deemed to occur ten (10) days after Company's receipt of the Parasolid Software (the "Installation Date").

7.2 Designated Location: The Parasolid Product will initially be installed at the following site:

Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341

Upon the request of Company, EDS will deliver one copy of the Parasolid Product to additional Company or Company controlled locations which Company may designate. The restrictions on transfer of a Parasolid Product shall not apply to the Embedded Material when incorporated into an Integrated Product.

ARTICLE VIII. FEES AND TAXES

8.1 Royalty Fees.

Royalty Fees payable to EDS by Company for the sale of licenses and maintenance services associated with the licensing of the Integrated Products by Company, Company Distributors and Company Subdistributors hereunder are set forth in Schedule F hereto (the "Royalty Fees"). All payments to EDS under this Agreement shall be made in lawful money of the United States of America.

8.2 No License and Maintenance Fees

EDS has granted the Parasolid Development License(s) to Company, and has agreed to provide Maintenance and Support as described in Article 9, for the initial [* * *] term of this Agreement for the Parasolid Product at no additional charge.

8.3 EDS' Charges for Other Services. The charges payable to EDS for additional services other than Software Maintenance services described in Article 9 hereof will be invoiced to Company as they occur with payment due within thirty (30) days from receipt of the invoice. All fees and other charges under this Agreement will be payable to EDS within thirty (30) days of receipt of EDS' invoice, or if the services will result in the development of deliverable items, within thirty (30) days of acceptance of those items by

- ---------------

* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

Company based on mutually acceptable criteria established in writing by the parties prior to EDS initiation of development services. EDS reserves the right to assess on all past due amounts, a late payment fee equal to one percent (1%) per month.

8.4 Set-Off. No claims for or deductions in respect to expenses incurred by Company or EDS in the performance of their duties under this Agreement will be made or allowed, except to the extent agreed in advance in writing by the parties.

8.5 Taxes and Duties. Any taxes, duties, related penalties, service fees or levies of whatsoever nature and wheresoever imposed under any law of the Territory arising from the licensing of Parasolid Product to Company or from the licensing of the Embedded Material as part of the Integrated Products by Company, Company Distributors and Company Subdistributors or provision of services hereunder, will be borne and paid by Company, or Company will reimburse EDS if EDS is required to make payment thereof. All charges hereunder will be quoted exclusive of sales tax, use tax, value added tax, import duties and other taxes and duties (however designated or levied). Company shall take all steps which EDS may reasonably request at EDS's sole cost and expense to enable EDS to obtain any tax credits or other benefits which may now or hereafter be available to EDS under the laws of the United States or any other jurisdiction with respect to the transactions contemplated by this Agreement, including, but not limited to, any tax benefits available under United States laws related to foreign source income. Notwithstanding anything herein to the contrary, under no circumstances will Company be responsible for taxes based upon EDS' income or required to be paid as condition of EDS' doing business.

8.6 Report of Activity and Records.

I. Within forty five (45) days from the end of each calendar quarter, Company will submit to EDS reports with respect to Company's Company Distributor's and the Company Subdistributor's activities hereunder for the respective calendar quarter, detailing the basis for payment to EDS with respect to such period. Such reports shall be sent to the Maryland Heights, MO address contained in Article 15.5, Attention: W. Lockley, M/S 6801040 and shall contain the following information for the sale of Integrated Products which are subject to sliding scale Royalty Fees associated with Revenue (as defined in Schedule F); (a) the names of the Licensee(s) that are registered customers, which shall mean all Licensees that have returned a Registration Card during such period, and the location(s) of the respective Integrated Products by city and country; (b) the number of Integrated Products licenses granted during the quarter; and (c) a calculation, of the related Royalty Fees due to EDS with respect to Integrated Products for such quarter using Schedule F. EDS recognizes that Company's customer and Distributor lists are extremely important and valuable to Company. Therefore, EDS agrees that the information provided under this Article will not be used for any purpose other than verifying amounts owed hereunder and EDS specifically agrees not to make any of this available to any third parties or to solicit any of Company's customers or Distributors utilizing any of the information obtained under this Article. EDS agrees that any and all information provided by Company under this Article 8.6(I)

shall be considered Confidential Information and shall be treated in the manner set forth in Article 10.

II. Company will keep, maintain and preserve for at least three (3) years after the applicable transaction(s) full and accurate accounts and records of all transactions relating to the Integrated Products, examination of which would enable EDS to audit the statements submitted by Company hereunder and to confirm Company's compliance with the requirements of Article 8.6 I and II. No more than once per year or whenever EDS learns about a breach or suspected breach of this Agreement or as may be required by court order, and then only upon reasonable written notice, Company shall allow the authorized representatives of EDS to have access to and inspect such books and records during Company's regular business hours. EDS will complete such inspection as expeditiously as possible, and Company will provide such supplementary information and explanation reasonably necessary to explain fully the information contained in its books, records and accounts.

ARTICLE IX. SOFTWARE MAINTENANCE

9.1 Parasolid Maintenance. EDS will provide maintenance services ("Maintenance Services") to Company for the Parasolid Software provided hereunder in accordance with Article IX, at no cost during the Term of this Agreement. EDS will provide to Company pursuant to this Article IX, maintenance services that are consistent with those generally provided to EDS' commercial Parasolid customers. It shall be Company's responsibility to incorporate any changes, updates, corrections or other information furnished by EDS into the Integrated Products. Company agrees to designate a reasonable, mutually agreed number of employees to communicate all maintenance service requests to EDS and to serve as the recipient of all EDS maintenance services.

Company shall be solely responsible for providing maintenance of the Integrated Products to all Licensees, Company Distributors and Company Subdistributors. As described below, EDS shall be responsible for providing support and maintenance of the Parasolid Materials to Company.

EDS will accept from Company only, telephone, fax, mail or electronic notification of Errors (as defined below) identified by Company, during EDS' standard business hours at its offices in Cambridge, England, except on holidays recognized by EDS.

I. Maintenance Services will consist of the following: EDS will notify Company of any release, "patch release" or interim version of the Parasolid Product which is available to any other user of the Parasolid Product, which release may contain updates, enhancements and/or improvements to the Parasolid Product. As soon as such version is available for release, and upon Company's request, EDS will deliver to Company for incorporation into the Embedded Material one (1) copy, in object code library format of any such release or version along with any revised or additional material and installation instructions. Six (6) months following shipment of any new release, EDS will cease to maintain the prior release;

provided however, that if EDS supports such release at no charge for any other Parasolid licensee than EDS shall do the same for Company. Support for replaced versions of the Parasolid Product will be available for purchase by Company at standard EDS time and material rates for a limited period of time as determined by EDS.

II. Correction of Errors. Company may report any suspected failure, identified by either Company or its Licensee(s), of the Parasolid Software to perform substantially in accordance with the specifications contained in the most current Parasolid documentation (an "Error") to EDS, in writing or via E-mail, accompanied by a detailed description and documentation of the suspected Error. EDS will acknowledge that it has received notice from Company of an Error. EDS and Company shall agree on whether to classify an Error as noncritical or critical. EDS will investigate the facts and circumstances related to each suspected Error. Company agrees to cooperate fully with EDS' investigation. If this investigation reveals that the Parasolid Software contains and Error, EDS will use its reasonable efforts to correct the Error or provide a "work-around" solution, at EDS discretion. EDS will use reasonable efforts (i) to correct Errors other than Critical Errors or furnish a work-around solution for such Errors within [* * *] after Company reports the error and (ii) to include the corrected noncritical Error fix in the next release of the Parasolid Software. Company may request that an Error be designated as a Critical Error by notifying EDS in writing at the time the Error is reported or at any time thereafter. Upon mutual agreement that an Error is a Critical Error, EDS will use reasonable efforts (i) to correct the Critical Error or furnish a work-around solution for such Error within [* * *] after Company reports the Error and (ii) include the corrected Critical Error fix in a "patch release" of the Parasolid Software. For purposes of this Agreement, "Critical Error" shall mean an Error which results in significant loss of functionality (such as reproducible, abnormal, material terminations and significant functional, material regressions from the previous release) as mutually determined by the parties, which determination will be made in good faith.

ARTICLE X. PROTECTION/CONFIDENTIALITY

10.1 Protection. Company will at all times recognize and protect EDS' right to and ownership of all copyright, inventions or trade secrets embodies in the Parasolid Software, Parasolid Documentation and Embedded Material regardless of whether patents have been issued thereon, and will not in any way act or omit to act in such a way as to harm the rights in such intellectual property or as in inconsistent with the intellectual property rights EDS has in the Parasolid Software, Parasolid Documentation and Embedded Material. Company will cooperate fully with EDS in all legal actions to protect the aforementioned rights at the expense of EDS. Company will include obligations comparable to those contained in this Article 10.1 within its agreements with Company Distributors and will cause the Company Distributors to include comparable obligations within Company Subdistributors agreements.

- ---------------

* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

10.2 Confidentiality. For purposes of this Agreement "Confidential Information" shall mean the Parasolid Software, Parasolid Documentation, Affiliated Products, Embedded Material, Integrated Products, the proprietary and trade secrets contained therein, information concerning Parasolid maintenance services provided by EDS under this Agreement, the terms and conditions of this Agreement and any other information of either party which is disclosed to the other party as Confidential Information pursuant to this Agreement. Confidential Information may be disclosed orally or in writing. As part of the oral disclosure of Confidential Information, the information considered confidential and the confidentiality thereof shall be reasonably identified by the party disclosing such information and, within ten (10) days after disclosure, the Confidential Information included in such disclosure shall be summarized in writing and such summary shall be delivered to the recipient. Written disclosures of Confidential Information shall be conspicuously marked with the legend "Confidential Information" (or terms of similar meaning) and shall provide reasonable identification of the information considered confidential. Confidential Information shall include, but not be limited to, trade secrets, know-how, inventions, algorithms, structure and organization of software programs, schematics, contracts, customer lists, financial information, sales and marketing plans and business plans. Company and EDS hereby agree: (i) to hold Confidential Information in strict confidence and not to make it available to any third party, except as is necessary for the proper performance of its obligations under this Agreement; (ii) to impose confidentiality restrictions upon the parties to whom any Confidential Information is disclosed; (iii) to take at least the same precautions to protect the Confidential Information as it takes for its own confidential and proprietary information of like importance, but in no event less than reasonable precautions; and (iv) to refrain from using the Confidential Information for any purpose other than the purposes for which that Confidential Information was disclosed to it.

10.3 Exceptions to Confidentiality. The foregoing provisions in Article 10.2 will not prevent either party from disclosing information which is: (i) already known by the recipient party without an obligation of confidentiality, which the recipient party shall prove by clear and convincing evidence; (ii) publicly known or becomes publicly known through no unauthorized act of the recipient party; (iii) rightfully received from a third party; (iv) independently developed by the recipient party without use of the other party's Confidential Information which the recipient party shall prove by clear and convincing evidence; (v) approved in writing by the other party for disclosure; or (vi) required to be disclosed pursuant to a requirement of a governmental agency or law so long as the disclosing party provides the other party with written notice of such requirement before any such disclosure so as to afford the other party an opportunity to intervene and prevent the disclosure.

10.4 [* * *]

- ---------------

* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[* * *]

ARTICLE XI. WARRANTY/DISCLAIMER/INDEMNITY/LIMITATION OF LIABILITY

11.1 Warranty and Disclaimer.

(a) EDS Warranty. EDS warrants to Company that the initial master copies of Parasolid Software provided to Company for use under this Agreement will conform substantially to its most current Parasolid Documentation for a period of ninety (90) days following the date of installation of the initial copies of Parasolid Software ("Initial Software Period").

EDS' entire liability and Company's exclusive remedy with respect to defects in the Parasolid Software reported to EDS during the Initial Software Period shall be that EDS will use reasonable efforts to correct or furnish a work-around solution for an Error in accordance with Maintenance Service procedures set forth in Article IX. If EDS is unable to cure such Error or furnish a work-around solution, Company's exclusive remedy shall be to return the Parasolid Software and this

- ----------

* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

Agreement shall terminate. If after the Initial Software Period, EDS is unable to correct a confirmed Error or furnish a work-around solution in accordance with the Parasolid Maintenance Service provisions of Article IX contained herein. Company may terminate this Agreement in accordance with Article XII. EDS acknowledges Company's right, in conjunction with such termination, to seek remedies under law for damages incurred by Company as a result of EDS' failure to fix or furnish a work around solution for the Error, subject to Article 15.9 and the limitations of Articles 11.4 and 11.5.

(b) Company Warranty. Company warrants that it is legally qualified in the Territory to perform the services contemplated by this Agreement. Company will, in performing its obligations under this Agreement, comply with all applicable existing and future laws, regulations (including, for example, the obtaining of necessary permits and licenses) and acts of the U.S. (including the Foreign Corrupt Practices Act and export clause and regulations). Further, Company will take no action on behalf of EDS that would be illegal under U.S. laws if taken by EDS itself.

(c) Disclaimer. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES NOR RECEIVES FROM THE OTHER, ANY OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED WITH RESPECT TO THE PARASOLID SOFTWARE, PARASOLID DOCUMENTATION, EMBEDDED MATERIAL, PARASOLID COMMENTED SOURCE CODE, PARASOLID UNCOMMENTED SOURCE CODE, AFFILIATED PRODUCTS, INTEGRATED PRODUCTS, MEDIA, TECHNICAL INFORMATION OR SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, OR THAT THE PARASOLID SOFTWARE, PARASOLID DOCUMENTATION, EMBEDDED MATERIAL, PARASOLID COMMENTED SOURCE CODE, PARASOLID UNCOMMENTED SOURCE CODE, AFFILIATED PRODUCTS, INTEGRATED PRODUCTS, MEDIA, TECHNICAL INFORMATION OR SERVICES WILL MEET THE SPECIFIC NEEDS OF COMPANY OR ITS LICENSEES OR THAT SPECIFIC RESULTS WILL BE ACHIEVED WITH SUCH PARASOLID SOFTWARE, PARASOLID DOCUMENTATION OR EMBEDDED MATERIAL PARASOLID COMMENTED SOURCE CODE, PARASOLID UNCOMMENTED SOURCE CODE, AFFILIATED PRODUCTS OR INTEGRATED PRODUCTS. NEITHER EDS NOR COMPANY MAKES ANY WARRANTY THAT THE OPERATION OF THE PARASOLID SOFTWARE, EMBEDDED MATERIAL, PARASOLID COMMENTED SOURCE CODE, PARASOLID UNCOMMENTED SOURCE CODE, AFFILIATED PRODUCTS, OR INTEGRATED PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE.

11.2 Patent and Copyright Indemnification. EDS will indemnify, defend, and hold Company, harmless against any action brought against Company to the extent that the action is

based upon a claim that the Parasolid Product or any part thereof provided under this Agreement infringes the trademark, patent, copyright, trade secret or other intellectual property right of any third party in the Covered Territory and will pay all damages, fees, costs and expenses (including reasonable attorneys' fees) attributable to such claim against Company; provided that EDS is given prompt written notice of such claim and is given information, reasonable assistance and sole authority to defend or settle the claim. Company will indemnify, defend and hold EDS harmless to the extent that the action is based upon a claim that the Integrated Product or any part thereof (except for the Embedded Materials) provided under this Agreement infringes a trademark, patent, copyright, trade secret or other intellectual property right of any third party in the Covered Territory, and will pay all damages, fees, costs and expenses (including reasonable attorneys' fees) attributable to such claim against EDS; provided that Company is given prompt written notice of such claim and is given information, reasonable assistance and sole authority to defend or settle the claim. Such obligation shall not exceed the greater of [* * *], or the Royalty Fees paid by Company to EDS under this Agreement during the [* * *] month period immediately preceding the date of the action.

If any third party brings an infringement or misappropriation action then in addition to EDS' indemnification obligation set forth above, then EDS, at its option and expense, will attempt to obtain for Company the right to continue using the Parasolid Product involved or will replace or modify the Parasolid Product involved so it becomes non-infringing or non-violating, or if EDS determines that these remedies in this paragraph are not reasonably available for the Parasolid Software, then in addition to EDS' indemnification obligation set forth above, EDS will grant Company a refund equal to the greater of [* * *], or the Royalty Fees paid by Company to EDS under this Agreement during the [* * *] month period immediately preceding the date of the action, and this Agreement shall terminate.

EDS will have no obligation under this Article 11.2 if the alleged infringement or misappropriation of another party's trade secret to the extent such action is based upon any act or omission of Company, Company Distributor or Company Subdistributor or any third party acting on the direction of Company (such as, without limitation, modification of Parasolid Software, the Parasolid Documentation or the Embedded Material, or the use of such items in combination with software or hardware not approved in advance by EDS).

EDS acknowledges that currently, to the best of its knowledge, the Parasolid Products, Embedded Materials, the Parasolid Uncommented Source Code and any other materials or services provided by EDS to Company pursuant to this Agreement do not infringe any patents, copyrights, trademarks, trade secret or other intellectual property rights, privacy or similar rights of any third party, nor has any claim of such infringement been threatened or asserted, nor is such a claim pending against EDS.

NEITHER EDS NOR COMPANY WILL HAVE ANY LIABILITY FOR INFRINGEMENT OF TRADEMARKS, PATENTS AND COPYRIGHTS OR MISAPPROPRIATION OF ANOTHER PARTY'S TRADE SECRETS, EXCEPT AS

- ----------
* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

EXPRESSLY PROVIDED IN THIS ARTICLE 11.2, WHICH STATES THE ENTIRE OBLIGATION OF EDS TO COMPANY AND COMPANY TO EDS. OTHER THAN THE REPRESENTATIONS AND WARRANTIES OF THE PARTIES HERETO MADE IN ARTICLE 11.1(a), AND 11.1(b) AND 11.2, THIS ARTICLE 11.2 SETS FORTH THE EXCLUSIVE REMEDY REGARDING INFRINGEMENT AND MISAPPROPRIATION. BOTH EDS AND COMPANY DISCLAIM ALL OTHER LIABILITY FOR VIOLATION, MISAPPROPRIATION OR INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS.

11.3 Third Party Indemnification. Company hereby agrees to defend, indemnify and hold EDS harmless from and against any and all claims arising as a result of: (i) the representations or warranties made by Company, its Distributors and Subdistributors which are inconsistent with the terms of this Agreement; (ii) a breach by Company of the requirements of Article 3.1.B. relating to agreements with Distributors and Subdistributors; and (iii) a breach by Company of the requirements of Article 3.6 relating to Software License Agreements with Licensees. Company's obligations hereunder are subject to Company being given prompt written notice of such claim and information, reasonable assistance and sole authority to defend or settle the claim.

11.4 Limitation of Liability. EXCEPT AS PROVIDED UNDER ARTICLE 11.2 AND EITHER PARTIES TORTIOUS INTENTIONAL MISCONDUCT, IN NO EVENT WILL EITHER PARTY, ITS OFFICERS, AGENTS AND EMPLOYEES BE LIABLE TO THE OTHER NOR EDS TO COMPANY DISTRIBUTORS AND COMPANY SUBDISTRIBUTORS OR THEIR LICENSEES UNDER OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, FOR ANY COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, OR FOR ANY PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, OR ANY DAMAGES, WHETHER DIRECT OR INDIRECT CONSEQUENCES OF SUCH EVENT AND WHETHER OR NOT FORESEEABLE, WHICH ARE CHARACTERIZED AS LOST PROFITS, LOSS OF BUSINESS, INCOME OR SAVINGS, ADMINISTRATIVE LOSS, LOSS OF DATA, LOSS OF COMMERCIAL REPUTATION OR OTHER CONSEQUENTIAL OR INCIDENTAL DAMAGE OR LOSS, EVEN IF EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM (OTHER THAN INFRINGEMENT) AGAINST COMPANY OR EDS BY ANY THIRD PARTY.

11.5 Aggregate Liability. Except as provided under Article 11.2, monies owed to Company to EDS, the breach of Articles 3 or 10, or either party's tortious intentional misconduct the aggregate liability of either party with respect to claims arising under, in connection with, or in any way relating to this Agreement and under any theory of liability, whether in contract or in tort to the extent permitted by applicable law, shall not exceed the greater of [* * *], or the aggregate of fees paid by Company to EDS during the [* * *] month period immediately preceding the date of the action.

- ----------
* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

ARTICLE XII. TERM AND TERMINATION

12.1 Term. This Agreement shall extend for a period of [* * *] from the Effective Date set forth on page 1 hereof unless terminated earlier in accordance with this Article, shall remain in force and shall be automatically renewed on a yearly basis thereafter (the "Term") unless either party tenders written notice of termination ninety (90) days prior to expiration of the then current term.

12.2 Termination for Breach. If either party materially breaches any of its obligations under this Agreement, the non-breaching party, at its option, shall have the right to terminate this Agreement by written notice to the other party specifically identifying the breach or breaches on which termination is based. Following receipt of such notice, the party in breach shall have thirty (30) days to cure such breach or breaches (in the case of a breach which cannot with due diligence be cured within a period of thirty (30) calendar days, the party in breach institutes within the thirty (30) calendar days steps necessary to remedy the breach and thereafter diligently prosecutes the same to completion) said cure period to proceed simultaneously with the dispute resolution procedure, if any, conducted pursuant to Article 15.8 hereof, and this Agreement shall terminate in the event that such cure is not made by the end of such period. The claim of material breach justifying termination shall be limited to the specific breaches set forth in the above written notice as explained, supported, and negated by evidence. In the event that the parties dispute either the existence of a material breach or the adequacy of attempted cure, and either party submits such dispute to arbitration under Article 15.9 hereof, the termination shall not be deemed effective until the arbitrator renders a final decision finding an uncured material breach, provided, however, that the termination shall be deemed effective if arbitration pursuant to Article 15.9 hereof is not initiated within fifteen (15) days after the progressive dispute negotiation procedures under Article 15.8 hereof are complete.

12.3 Termination for Convenience. Company may terminate this Agreement upon sixty (60) days prior written notice to EDS.

12.4 Bankruptcy. Either party shall have the right to terminate this Agreement upon thirty (30) days written notice if the other party ceases to do business in the normal course, becomes or is declared insolvent or bankrupt, is the subject of any proceeding relating to its liquidation or insolvency which is not dismissed within one hundred eighty (180) calendar days, or makes an assignment for the benefit of its creditors.

12.5 Effect of Termination. Except as set forth below, upon termination or expiration of this Agreement all licenses for the Parasolid Software, Parasolid Uncommented Source Code, Parasolid Commented Source Code (if Company has such in its possession), Parasolid Documentation and Trademarks granted under this Agreement shall terminate. Within thirty (30) calendar days after termination of this Agreement, Company shall either deliver to EDS or destroy all copies of the Parasolid Software, Parasolid Uncommented Source Code, Parasolid Commented Source Code, Parasolid Documentation and Embedded Materials (including any portion thereof embedded into the Integrated Products), technical pamphlets, specifications and other Confidential Information of EDS (including copies) in the possession or control of Company, and shall furnish to EDS an affidavit signed by an

- ----------

* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

officer of Company certifying that, to the best of his or her knowledge, such delivery or destruction has been completed. Notwithstanding the foregoing, after any termination Company may continue to use and retain copies of the Parasolid Software, Parasolid Uncommented Source Code, Parasolid Documentation, Embedded Materials, Trademarks and other materials provided by EDS to the extent, but only to the extent, necessary to: (a) support and maintain Integrated Products distributed to Licensees; (b) fill orders for Integrated Products which Company, Company Distributors and Company Subdistributors received prior to termination; and (c) allow Company, Company Distributors and Company Subdistributors to distribute their inventory of Integrated Products existing as of the termination date. If Company, or a third party which Company designates, no longer decides to provide maintenance services to Licensees of the Integrated Products, then Company shall immediately deliver to EDS or destroy all copies of the Parasolid Software, Parasolid Uncommented Source Code, Parasolid Documentation and Embedded Materials, except for any copies which are retained by Company for archival or backup purposes. In the event this Agreement is terminated as a result of EDS' breach then Company, Company Distributors and Company Subdistributors may continue to exercise all the rights and licenses granted pursuant to this Agreement for a twenty four (24) month period following termination in order to transition to an alternate solution. In no event will termination of this Agreement terminate or impair the rights of the Licensees to continue using the Integrated Products. The obligation of Company to pay Royalty Fees to EDS on its behalf and on the behalf of Company Distributors and Company Subdistributors shall remain in full force and effect during such period.

12.6 Continue Obligations. Upon termination of this Agreement, Company will:

I. Pay sums when due EDS and continue to pay all sums due before or after termination.

II. Take all actions and execute all documents reasonably requested by EDS to register the termination of this Agreement and the termination of the appointment under this Agreement.

III. Notify Company Distributors and Company Subdistributors of such termination and of their obligation to cease distribution of the Integrated Products except as permitted pursuant to Article 12.5.

ARTICLE XIII. EXPORT CONTROL PROVISIONS

13.1 Company will not knowingly, and will prohibit Company Distributors and Company Subdistributors from sublicensing the Integrated Products to, or for the use of, any ultimate Licensee with whom EDS or Company could not deal under any U.S. or United Kingdom laws or regulations or any agency thereof. Company shall not, directly or indirectly, export, reexport or transship the Parasolid Software, Parasolid Documentation, the Embedded Material, or any information contained therein to any country in contravention of any U.S. or United Kingdom laws and regulations as shall from time to time govern the license and delivery of technology abroad by persons subject to the jurisdiction of the U.S. Government or the United Kingdom, including without limitation

the Export Administration Act of 1979, as amended, any successor legislation to such Act, and the Export Administration Regulations issued by the U.S. Department of Commerce, International Trade Administration, Office of Export Administration. For the purposes of this Agreement; if a conflict occurs between U.S. law and United Kingdom law, the more restrictive law will govern. Company will indemnify EDS for any damages incurred by EDS as a direct result of a breach of this Article XIII.

ARTICLE XIV. SOURCE CODE

14.1 [* * *]

14.2 [* * *]

- ----------
* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

ARTICLE XV. MISCELLANEOUS

15.1 Assignment; Change in Control. This Agreement and the rights and duties under this Agreement cannot be assigned by Company without the written consent of EDS, which shall not be unreasonably withheld; provided, however, that Company may, without such consent, assign such rights and such obligations set forth in this Agreement in whole or in part, to: (a) to any of Company's Affiliates; or (b) to the surviving entity after a merger, reorganization or other corporate restructuring of Company. In the event of any change in ownership or control of the EDS entity which owns, or otherwise has rights to, the Parasolid Software, or in the event of any sale, exclusive license, or purported assignment of the rights to the Parasolid Software, the acquiring entity must acknowledge its obligations as reflected in this Agreement to Company prior to any such change in ownership or control. This Agreement and all of the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

15.2 Force Majeure. Neither party will be liable to perform its obligations under this Agreement, other than the payment of money, if and to the extent prevented by any event beyond its reasonable control, whether foreseeable or not, including but not limited to, prohibitions of exportation or importation, the refusal of government or regulatory authorities to issue export or import license(s), acts of God, lock outs, riots, strikes, acts of war, epidemics, governmental act or regulations, fire, communication line failures and natural disasters occurring without that party's fault or negligence. If such circumstances continue for one hundred twenty (120) consecutive days, the party not subject to the force majeure condition may terminate the Agreement if such force majeure occurrence is not cured after thirty (30) days with written notification to the other party. Such termination will be without any liability for loss or damage, subject to the provisions of Article 12.5.

15.3 Relationship of the Parties. No relationship of employment or partnership is created by this Agreement. Each party is an independent contractor and in no way a legal representative or agent of the other party. Company has no authority to assume or create any obligation (including accepting orders or making contracts) on EDS' behalf, expressed or implied, with respect to Parasolid Software, or other services or otherwise and EDS, has no authority to assume or create any obligation (including accepting orders or making contracts) on Company's behalf expressed or implied with respect to Integrated Products or otherwise.

15.4 Limitation of Actions. No action, regardless of the form, arising under this Agreement may be brought either by Company or by EDS more than three (3) years after either (i) the cause of the action has arisen, or (ii) the party entitled to bring an action becomes aware of the cause of action, whichever is later.

15.5 Notices. All notices and communications required by or relating to this Agreement shall be in writing and shall be deemed duly given one (1) day after sending by facsimile to the respective party at the facsimile number set forth below, or three (3) days after it is deposited, postage prepaid, in the U.S. mail to the respective party at its address set forth below or to such other address or facsimile number as either party may substitute by

notice to the other party (provided that notice of any change of address shall be effective only upon receipt):

To EDS: Electronic Data Systems Corporation
13736 Riverport Drive
Maryland Heights, MO 63043
Attn: Contracts, Mail Code 6801163
Facsimile #: (314) 344-5138

With a copy to: Electronic Data Systems Corporation
Parkers House
46 Regent Street
Cambridge England CB2 IDB
Attn.: Parasolid Manager
Facsimile #: 011 44 122 3 31 6931

To Company: Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341
Attn.: President
Facsimile #: (610) 458-2869

With a copy to: Bentley Systems, Incorporated
690 Pennsylvania Drive
Exton, PA 19341
Attn: General Counsel
Facsimile: (610) 458-3181

15.6 Media Releases. All media releases, public announcements and public disclosures by either party relating to this Agreement or its subject matter, including promotional or marketing material (but not including (i) any announcement intended solely for internal distribution, (ii) any disclosure required by legal, accounting or regulatory requirements beyond the reasonable control of a party or (iii) any advertising and promotion by Company permitted under this Agreement), will be coordinated with and approved by the other party in writing before its release, announcement or disclosure. Notwithstanding the foregoing, either party, its parent and affiliates may list the other in proposals and other marketing materials, describing in general terms the business arrangement between them.

15.7 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND ITS PERFORMANCE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF MISSOURI, EXCLUDING ITS LAWS OF CONFLICT OF LAW. IT SHALL NOT BE GOVERNED BY STATUTES ON THE INTERNATIONAL SALE OF GOODS, INCLUDING THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

15.8 Progressive Dispute Negotiation Procedure.

(a) This paragraph will govern any dispute between EDS and Company arising from or related to the subject matter of this Agreement that is not resolved by agreement between their respective personnel responsible for day to day administration and performance of this Agreement.

(b) Prior to the filing of any suit with respect to such a dispute (other than a suit seeking injunctive relief with respect to intellectual property rights), the party believing itself aggrieved (the "Invoking Party") will call for progressive management involvement in the dispute negotiation by giving written notice to the other party. Such a notice will be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement.

(c) EDS and Company will use their best efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and places, between their negotiators at the following successive management levels, each of which will have a period of allotted time as specified below in which to attempt to resolve the dispute:

EDS		COMPANY	ALLOTTED TIME
First Level	Manager	Manager	10 bus. days
Second Level	VP	VP	10 bus. days
Third Level	Business Unit President	CEO	30 days

(d) The allotted time for the first-level negotiators will begin on the date of the Invoking Party's notice.

(e) If a resolution is not achieved by the negotiators at any given management level at the end of their allotted time, then the allotted time for the negotiators at the next management level, if any, will begin immediately.

(f) If a resolution is not achieved by negotiators at the final management level within their allotted time, then either party may with ten (10) days thereafter request mediation to resolve the dispute.

(g) The Mediation Rules of the American Arbitration Association shall be used unless EDS and Company agree otherwise.

(h) The mediation shall take place in the city located nearest to the principal office of the party that did not initiate the mediation.

(i) The allotted period for completion of the mediation shall be thirty (30) days.

(j) If a resolution is not achieved by mediation within the allotted time or if mediation is not requested within the permitted ten (10) day period, then either party may file an arbitration demand or other permitted action to resolve the dispute.

15.9 Arbitration. In the event a dispute between the parties arising under this Agreement is not resolved using the procedures of Article 15.8, then the parties may initiate formal proceedings upon the earlier to occur of: (a) the officers concluding upon good faith that amicable resolution through continued negotiation of the dispute does not appear likely; (b) sixty (60) days after the initial request to negotiate the dispute (unless preliminary or temporary relief of an emergency nature is sought by one of the parties); or (c) thirty (30) days before the limitation of actions period described in Article 15.4 governing any cause of action relating to the dispute would expire.

The parties shall submit to binding arbitration before a single arbitrator knowledgeable of the computer software industry in the city located nearest to the principal office of the party that did not initiate the dispute (but never outside of the United States).

Any dispute that the parties are unable to resolve as provided above will be resolved by final and binding arbitration conducted in accordance with and subject to the Commercial Arbitration Rules of the American Arbitration Association except that temporary restraining orders or preliminary injunctions, or their equivalent, may be obtained from any court of competent jurisdiction. The arbitrator will allow such discovery as appropriate, consistent with the purposes of arbitration in accomplishing fair, speedy and cost-effective resolution of disputes. All discovery will be completed, and the arbitration hearing will commence, within forty five (45) days after appointment of all the arbitrators, and the arbitration hearing will conclude within thirty (30) days after it commences. The arbitrators will make every effort to enforce these timing requirements strictly, but may extend the time periods upon a showing that exceptional circumstances require extension to prevent manifest injustice. The arbitrator shall not have the power to award any damages of the type excluded by this Agreement, regardless of the nature of the claim. The decision of the arbitrator will be rendered in writing and will explain the reasons therefor. Each party will bear its own attorney's fees and other costs and expenses, and each party will equally share the cost of the arbitrator. The arbitrators may render awards of monetary damages, direction to take or refrain from taking action, or both, and may, at their direction, notwithstanding the proceeding, order one party to reimburse the other for attorney's fees and other expenses reasonably incurred by the other party in connection with the arbitration. Judgment upon the award rendered in any such arbitration may be entered in any court having jurisdiction thereof, or application may be made to such court for judicial acceptance of award and an enforcement, as the law of such jurisdiction may require or allow.

15.10 Waiver and Severance. The failure of either party to enforce at any time any of the provisions of this Agreement or exercise any of its rights hereunder will in no way be construed to be a waiver of such provision or right, nor in any way affect the validity of the Agreement or any part thereof, or the right of the other party thereafter to enforce each and every provision.

If any provision of this Agreement or part thereof is found to be invalid or unenforceable, then the validity or enforceability of the remaining provisions will not be affected, and this Agreement will be deemed amended in order to eliminate the offending provision or part thereof and make the Agreement enforceable to the maximum extent possible. The parties agree that the invalid or unenforceable provision or part thereof shall be automatically replaced by other provisions which arc as similar as possible in terms to such invalid or unenforceable provision, but are valid and enforceable.

15.11 Survival of Obligations. Termination or expiration of this Agreement for any reason will not release either party from any liabilities or obligations set forth in this Agreement which (i) the parties have expressly agreed will survive any such termination or expiration, or (ii) remain to be performed or by their nature would be intended to be applicable following any such termination or expiration, including (but not limited to) Article II (for the period set forth in Article 12.5), Article 3.1 (for the period set forth in Article 12.5), Articles 3.4, 3.5, 3.6, 3.7, 3.8, Article IV (for the period set forth in Article 12.5), VIII, X (for the period set forth therein), XI and XII.

15.12 Entire Agreement. This Agreement (including the Schedules attached hereto) constitutes the entire Agreement between the parties relating to the subject matter hereof and supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating thereto. Amendments and supplements to this Agreement must be in writing signed by authorized representatives of the parties.

15.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives, effective as of the date first written above.

Company: Bentley Systems, Incorporated	Electronic Data Systems Corporation
By: /s/ David G. Nation	By: /s/ Tony Affuso
Printed Name: David G. Nation	Printed Name: Tony Affuso
Title: Senior Vice President	Title: VP of UGPM&D
Date: 10/16/97	Date: 10/21/97

SCHEDULE A

PARASOLID DESCRIPTION

Parasolid V9.0, as described in the Parasolid Documentation and as used by Company during the evaluation of Parasolid.

Shared Library Versions of the Parasolid Software will be provided to Company for all platforms.

SCHEDULE B

COPYRIGHT NOTICE

The following copyright notice shall be displayed within each copy of the Integrated Product and on each copy of the Integrated Products documentation:

Copyright 19__ Bentley Systems Inc. All rights reserved. Portions of this software and related documentation are copyrighted by and are the property of Electronic Data Systems Corporation.

The copyright notice shall appear in the same locations as the copyright notices of other licensors of technology incorporated into the Integrated Product or its documentation.

SCHEDULE C

DEVELOPMENT SERVICES

1. CURRENTLY SUPPORTED PLATFORMS

Upon execution of this agreement EDS will deliver or will have delivered to Company one (1) copy of the Parasolid Product in a form of magnetic media selected by Company on each of the following hardware platform and operating system combinations:

- - Digital AXP running Windows NT

- - Intel (IBM PC compatible) running Windows 95 and Windows NT

- - Hewlett-Packard 9000 series running HP-UX

- - Sun Sparc running Solaris

- - Silicon Graphics running IRIX

- - IBM PowerPC running AIX

In addition to the above platforms, on request from Company, EDS will deliver or will have delivered to Company one (1) copy of the Parasolid Product on any other platform that EDS supports free of charge for EDS/Unigraphics or any of its other Parasolid customers at the time of the request. The additional platforms that Parasolid is currently supported on are: Digital AXP running VMS and Digital AXP running Digital Unix.

2. ADDITIONAL PLATFORMS REQUIRING NO ADDITIONAL FUNDING

Upon execution of this Agreement, EDS will commence porting the Parasolid Product to the Apple Power Macintosh platform. EDS will use reasonable efforts to complete this port within one hundred and twenty (120) days.

In addition to the above platform, EDS will provide a maximum of one (1) mutually agreeable additional platform each year on request from Company without additional charge.

A "platform" is defined to be a unique combination of Hardware Platform, Operating System and Compiler.

3. ADDITIONAL PLATFORMS REQUIRING ADDITIONAL FUNDING

EDS will require Company to pay [* * *] per platform, for each additional platform if EDS agrees to create such port. This payment will be due within thirty (30) days of EDS shipping to Company a supported version of Parasolid on the given platform.

- ----------

* * * - THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

4. ADDITIONAL FUNDING REQUIRED TO MAINTAIN ADDITIONAL PLATFORMS

EDS will require Company to pay [* * *] per year to be paid quarterly in advance at the rate of [* * *] for the maintenance of every additional platform for which Company is the only commercial licensee to whom EDS distributes that platform; provided, however, in no event shall Company be required to pay for maintenance for the platforms identified in Section 1 of this Schedule C. EDS shall provide the maintenance services described in Article IX of the Agreement for each platform. The total payment required from Company for the maintenance of these additional platforms each year will be reduced during that year based on the following table of royalties received by EDS during each calendar year from Company:

Royalties received by EDS from Company during the current year	Number of additional platforms to be maintained by EDS for no additional fee
[* * *]	0
[* * *]	1
[* * *]	2
[* * *]	3
[* * *]	4
[* * *]	5

- ----------

* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

SCHEDULE D

INTEGRATED PRODUCTS

1. FLAT ROYALTY FEE INTEGRATED PRODUCTS

MicroStation TriForma
PowerArthcitect
MicroStation GeoGraphics
MicroStation Descartes
MicroStation Field
MicroStation Image Manager
CivilDraft
All PlantSpace Products
JT/P&ID
Opti-SE
MicroStation 95
MicroStation PowerDraft
MicroStation MasterPiece
MicroStation TeamMate 96
Microstation PowerScope
MicroStation ReproGraphics
MicroStation Review
MicroStation V5
Microstation
Microstation SE
Microstation/J
All ModelServer Products
All ActiveAsset Product

2. MECHANICAL INTEGRATED PRODUCTS - SIDING SCALE ROYALTY FEE

MicroStation Modeler

SCHEDULE E

COVERED TERRITORY

Argentina
Australia
Austria
Belgium
Bolivia
Brazil
Bulgaria
C.I.S.*
Canada
Chile
Columbia
Czech of Republic
Denmark
Eire
Ecuador
Egypt
Finland
France
Germany
Greece
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Japan
Luxembourg
Malaysia
Mexico
Netherlands
New Zealand
Norway
People's Republic of China
Peru
Philippines
Poland
Portugal
Romania
Saudi Arabia
Singapore
Slovak Republic
Slovenia
South Africa
South Korea
Spain
Sweden
Switzerland
Taiwan
Thailand
Turkey
United Kingdom
United States
Uruguay
Venezuela

* C.I.S. ("Commonwealth of Independent States") formed by Russia, Armenia, Kazakhstan, Moldove, Turkmenistan, Azerbaijan, Tajikistan, Ukraine, Uzbekistan, and the Republic of Georgia.

SCHEDULE F

ROYALTY OBLIGATIONS

1. Royalty Fees are payable to EDS as described in 1.1, 1.2 and 1.3 below:

1.1 Company agrees to pay EDS [* * *] per calendar quarter (the "Flat Royalty Fee") during each quarter of the Term for licensing of the Integrated Products identified in Schedule D, Section 1. The above Flat Royalty Fee is due and payable beginning thirty (30) days after the end of the calendar quarter in which the sale of the first license of the Integrated Products listed in Schedule D, Section 1 to a Licensee is completed by Company, or reported by a Company Distributor, or Company Subdistributor to Company.

1.2 "Revenue" shall mean the total fees received by Company computed on a cash basis either directly from Licensees, Company Distributors or Company Subdistributors solely from the license and maintenance sales of Integrated Products identified in Schedule D, Section 2. Revenue is to be calculated based on the fees actually received by Company (i.e. not on the unit selling price) and allow for refunds, returns, and trade discounts, fees paid for channel compensation or sales taxes, if any, to the extent to which they are actually paid.

Sliding Scale Royalty Fees are payable to EDS for the Integrated Products identified in Schedule D, Section 2, based on Revenue for sale of licenses and maintenance of the Integrated Products to Licensees. That is, the cumulative total of Revenue realized at the end of each of the four (4) calendar quarters of each year of the Term of this Agreement will be determined and Sliding Scale Royalty Fees will be paid to EDS within forty five (45) days after the end of each calendar quarter in accordance with the schedule set forth below. At the end of each year of the Term, Revenue for that year will begin at zero dollars and the process of quarterly payment of the Sliding Scale Royalty Fees to EDS based on Revenue for that year will be repeated.

Annual Revenue from	Annual Revenue to	Base Royalty	Plus	of Revenue Over
[* * *]				
[* * *]				

- ---

* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

First Six Quarters Discount - EDS agrees that for a maximum of the initial six (6) quarters of Sliding Scale Royalty payments made by Company to EDS, or (ii) such discount reaches [* * *], whichever is sooner, the Sliding Scale Royalty Fees will be reduced by [* * *]. Thereafter, Company will continue to pay EDS the full Sliding Scale Royalty Fees due.

The above discount is contingent upon and Company shall publicly announce its plan to use the Parasolid Product instead of ACIS no later than the Daratech Conference in March 1998.

[* * *]

[* * *]

- --------------------
* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

1.2.1 All Royalty Fees that are paid to Company in a currency other than U.S. Dollars shall be converted into U.S. Dollars at the buying rate for bank transfers from such currency to U.S. Dollars as quoted in the Wall Street Journal (Eastern Edition), at the close of banking on the last day of such calendar quarter (or the first business day thereafter if such last day shall be a Sunday or other non-business day).

1.3 "Advanced Geometry" Shall mean the creation or editing of design files utilizing the following functionalities currently found in the Parasolid Software: (a) advanced blending (includes variable radius, face, overflowing, cliff edge, tangent hold line, conic section); (b) hollowing (shelling); (c) thicken; (d) offset; (e) taper; and (f) mid surface creation and other functionalities that the parties may mutually agree to.

1.4 EDS and Company may mutually agree to modify the list of Integrated Products identified in Schedule D. All Integrated Products which utilize Advanced Geometry will be classified as "Mechanical Integrated Products - Sliding Scale Royalty Fee" for Royalty Fee purposes and placed in Schedule D, Section 2. All other Integrated Products (those which do not utilize Advanced Geometry) will be classified as "Flat Royalty Fee Integrated Products" and placed in Schedule D, Section 1.

1.5 Only one Royalty Fee, either Flat Royalty or Sliding Scale Royalty, shall apply to each Integrated Product or an Integrated Product bundled in conjunction with one or more Affiliated Products.

1.6 Company shall not be required to pay the Sliding Scale Royalty for Affiliated Products which contain the Embedded Materials, but do not permit the Licensee to utilize the functionality of the Embedded Materials (i.e. the functionality has been disabled, even though the code remains.)

SCHEDULE G

THIRD PARTY CONSULTANTS

Infotech Enterprises Ltd.
Hyderabad, India

Mechanical Dynamics, Inc.
Ann Arbor, Michigan

Caema Oy
Tampere, Finland

data-M GmbH
Munich, Germany

AMENDMENT NUMBER ONE

THIS AMENDMENT NO. 1 to Product Integration and Marketing Agreement 279CP (the "Agreement") is entered into by and between Unigraphics Solutions Inc., a Delaware Corporation ("UG") and Bentley Systems, Incorporated, a Delaware Corporation ("Company"). In the event of any conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall govern as to the subject matter herein.

RECITALS

WHEREAS, Electronic Data Systems Corporation ("EDS") and Company entered into the Agreement dated October 13, 1997; and

WHEREAS, the Unigraphics Division of EDS was established as a separate subsidiary of EDS effective January 1, 1998 named Unigraphics Solutions Inc., which succeeded to all of the business and assets of the Unigraphics Division of EDS;

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

1. Schedule F. Section 1.1

   A. Delete the first sentence in its entirety and replace with the following:

      "Company agrees to pay UG [* * *] per calendar quarter, beginning with the first calendar quarter of 1998, (the "Flat Royalty Fee") during each quarter of the Term for licensing of the Integrated Products identified in Schedule D, Section 1."

2. Schedule F. Section 1.3

   A. Delete Section 1.3 in its entirety and replace with the following:

      "Advanced Geometry" shall mean the creation or editing of solid models utilizing the following functionalities currently found in the Parasolid Software:

      (i) advanced blending (includes variable radius, face, overflowing, cliff edge, tangent hold line and conic blends);

      (ii) hollowing (shelling) involving surfaces other than Analytic Surfaces;

      (iii) thickening involving surfaces other than Analytic Surfaces;

      (iv) offsetting involving surfaces other than Analytic Surfaces;

      (v) tapering;

      (vi) mid surface creation; and

      (vii) other functionalities that the parties may mutually agree to.

- --------------------
* * * -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

For the purposes of this Section, "Analytic Surfaces" shall mean only planar, cylindrical, spherical, conical and toroidal surfaces.

The creation or editing of surface ("Sheet") models using (i) advanced blending and (ii) offsetting shall not be classified as Advanced Geometry."

All other terms of the basic Agreement 279CP remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be signed by their duly authorized representatives.

Company: Bentley Systems, Incorporated	Unigraphics Solutions Inc.
Signature: /s/ Gregory S. Bentley	Signature: /s/ Tony Affuso
Name: Gregory S. Bentley	Name: Tony Affuso
Title: President	Title: VP of Dev & Mkting
Date: 2/19/98	Date: 2/27/98

AMENDMENT NUMBER TWO

THIS AMENDMENT NO. 2 to Product Integration and Marketing Agreement 279CP (the "Agreement") is entered into by and between Unigraphics Solutions Inc., a Delaware Corporation ("UGS") and Bentley Systems, Incorporated, a Delaware Corporation ("Company"). In the event of any conflict between the provisions of the Agreement including any prior amendments thereto and this Amendment, the provisions of this Amendment shall govern as to the subject matter herein. This Amendment No. 2 shall be effective as of September 1, 1998.

RECITALS

WHEREAS, Electronic Data Systems Corporation ("EDS") and Company entered into the Agreement dated October 13, 1997;

WHEREAS, UGS was established as a separate subsidiary of EDS effective January 1, 1998 which succeeded to all of the business and assets of the Unigraphics Division of EDS;

WHEREAS, EDS assigned the Agreement to UGS;

WHEREAS, Company and UGS previously modified the Agreement by Amendment Number One effective as of February 27, 1998 ("Amendment #1");

WHEREAS, Company and UGS desires to make further modifications to the Agreement; and

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

1. Schedule F. Section 1.1

A. Delete in its entirety (including changes made by Amendment #1) and replace with the following:

"On or before October 31, 1998, Bentley shall pay UGS [* * *]. Effective January 1, 1999, and each year throughout the Term, Bentley shall pay UGS an Annual Royalty Fee calculated in accordance with the following formula:

[* * *]

Where:

[* * *]

- --------

[* * *] -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[* * *]

Company shall pay the Annual Royalty Fee calculated for a particular Year in four (4) equal installments payable thirty (30) days after the end of each calendar quarter during the Year. Along with such payments, Company will report the total number of Installed Seats. All references in the Agreement to a Flat Royalty Fee shall be replaced with Annual Royalty Fee.

Example calculation of the Annual Royalty Fee:

[* * *]

2. Schedule F. Section 1.2

A. In the first paragraph, first sentence, replace "and maintenance sales" following "from the license" with "and/or upgrades."

B. Delete the second paragraph to the end of Section 1.2 and replace it as follows:

1. "Sliding Scale Royalty Fees"

Sliding Scale Royalty Fees for the Integrated Products identified in Schedule D, Section 2, shall be based on Revenue received by Company. For purposes of clarity, no Sliding Scale Royalty Fees will be paid on fees generated by Company's software maintenance and support programs (including but not limited to SELECT Support). Sliding Scale Royalty Fees shall also not be due on "Platform Swaps" whereby one of Company's Licensees exchanges an Integrated Product it has previously licensed from Company for another Integrated Product. Company can elect not to charge for Integrated Product upgrades, and in such event no Royalty Fee will be due UGS in association with such upgrade.

- --------

[* * *] -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

Notwithstanding the above, Company agrees that it shall actively promote the sales of its Integrated Products that contain Advanced Geometry and that Company shall not deliberately try to reduce the initial sales of its Integrated Products that contain Advanced Geometry and increase the sales of its Based Products by recommending that its Licensees use a Platform Swap instead of initially licensing its Integrated Products that contain Advanced Geometry.

[* * *]

3. All other terms of the basic Agreement 279CP remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to be signed by their duly authorized representatives.

Company: Bentley Systems, Incorporated	Unigraphics Solutions Inc.
Signature: /s/ Gregory S. Bentley	Signature: /s/ Tony Affuso
Name: Gregory S. Bentley	Name: Tony Affuso
Title: President	Title: VP of Products & Operations
Date: 9/22/98	Date: Sept. 23 '98

- --------

[* * *] -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

AMENDMENT NUMBER THREE

THIS AMENDMENT NO. 3 to Product Integration and Marketing Agreement 279 CP (the "Agreement") is entered into by and between Unigraphics Solutions Inc., a Delaware Corporation ("UGS"), as successor in interest to the Electronic Data Systems Corporation ("EDS"), and Bentley Systems, Incorporated, a Delaware Corporation ("Company") is entered into as of May 31, 2000. In the event of any conflict between the provisions of the Agreement including any prior amendments thereto and this Amendment, the provisions of this Amendment shall govern as to the subject matter herein.

RECITALS

WHEREAS, EDS assigned the Agreement to UGS;

WHEREAS, Company and UGS previously modified the Agreement by amendments numbers one and two, effective respectively on February 27, 1998, and September 1, 1998;

WHEREAS, Company and UGS desire to make further modifications to the Agreement; and

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the parties agree as follows:

1. Remove MicroStation Modeler from Section 2 of Schedule D and add it to Section 1 of Schedule D.

2. Insert at the bottom of Schedule D the following language: "References to MicroStation, MicroStation V.5, MicroStation J, and the like shall in no way be construed as limiting the terms of this license to those particular versions of MicroStation products, but shall be construed to also include any new releases, upgrades and updates of the listed MicroStation products."

3. Add the following wording at the end of the first paragraph of Section 1.1 of Schedule F as modified by Amendment number one:

   "It is agreed by the parties that the Royalty Fee due for the Integrated Product MicroStation Modeler shall be a flat fee of [* * *] per annum payable quarterly in advance, provided however that Company shall report the number MicroStation Modeler licenses issued during each period to UGS together with payment of quarterly amounts due. The parties agree to enter into good faith negotiations to modify the Royalty Fee for MicroStation Modeler in the event that (i) the MicroStation Modeler revenue comprises more than fifteen (15) percent of Company's global revenue or (ii) a new mechanical CAD product is added to the list of Integrated Products under Schedule D subsection 2."

- --------

[* * *] -- THE INFORMATION CONTAINED IN THIS PORTION OF THE EXHIBIT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

4. Modify the last sentence of Section 1.4 of Schedule F to read as follows:

"The Royalty Fees for all Integrated Products other than those listed in Schedule D shall be negotiated between the parties in good faith."

5. UGS grants to Company and Company accepts the right to use Advanced Geometry in any Integrated Product.

All other terms of the Agreement and amendments one, two and three thereto remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment number three to be signed by their duly authorized representatives.

Company: Bentley Systems, Incorporated	Unigraphics Solutions Inc.
By: /s/ Greg Bentley	By: /s/ Don Vossler
Name: Greg Bentley	Name: Don Vossler
Title: President	Title: Director, PS Bus. Dev.
Date: 5/31/00	Date: 6/5/00

EXHIBIT 21

BENTLEY SYSTEMS, INCORPORATED

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries of Bentley Systems, Incorporated, a Delaware Corporation, and their subsidiaries (indented), together with the place of incorporation, are set forth below.

Bentley Canada, Inc. (an Ontario corporation)
Bentley Software, Inc. (a Delaware corporation)
Atlantech Solutions, Inc. (a Delaware corporation)
9090-0952 Quebec Inc. (a Quebec corporation)
  9090-0962 Quebec Inc. (a Quebec corporation)
    HMR, Inc. (a Quebec corporation)
Bentley Systems Andina S.A. (a Venezuelan corporation)
Bentley Systems de Mexico SA de CV (a Mexican corporation)
Bentley Systems Brasil Ltda. (a Brazilian corporation)
Geopak Corporation (a Delaware corporation)
  Geopak PTY. Ltd. (an Australian corporation)
Bentley Systems UK IHC Ltd. (a United Kingdom corporation)
GEOPAK TMS-UK (a United Kingdom corporation)
BSI Holdings B.V. (a Netherlands corporation)
  Bentley Systems Europe B.V. (a Netherlands corporation)
  Bentley Systems Germany GmbH (a German corporation)
  Bentley Systems France S.a.r.l. (a French corporation)
  Bentley Systems Iberica S.A. (a Spanish corporation)
  Bentley Systems South Africa (Pty) Ltd. (a South African corporation)
  Bentley Systems Belgium N.V. (a Belgium corporation)
  Bentley Systems Ireland Ltd. (an Irish corporation)
  Bentley Systems Italia S.r.l. (an Italian corporation)
  Bentley Systems Finland Oy (a Finnish corporation)
  Bentley Systems Scandinavia A/S (a Danish corporation)
  Bentley Systems Mid-World Ltd. (a Cyprus corporation - dormant)
  Bentley Systems CR s.r.o. (a Czech corporation)
  Bentley Systems AG (a Swiss corporation)
  Bentley Systems Sweden AB (a Swedish corporation)
  Bentley Systems Hungary Szoftver Kft. (a Hungarian corporation)
  Bentley Systems (UK) Ltd. (a United Kingdom corporation)
  Bentley Systems Polska Sp z o.o. (a Polish corporation)
BSI Holdings Pty. Ltd. (an Australian corporation)
  Bentley Systems Pty. Ltd. (an Australian corporation)
  Bentley Systems Co., Ltd. (a Japanese corporation)
  Bentley Systems Hong Kong Ltd. (a Hong Kong corporation)
  Bentley Systems Singapore Pte. (a Singapore corporation)
  Bentley Korea Co., Ltd. (a Korean corporation)
  Bentley Systems India Pvte Ltd. (an Indian corporation)
  Bentley Systems Sdn. Bhd. (a Malaysian corporation)

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports and to all references to our Firm included in or made a part of this registration statement.

/s/ Arthur Andersen LLP

Philadelphia, Pennsylvania
April 19, 2002

Exhibit 99.1

[BENTLEY SYSTEMS, INCORPORATED LETTERHEAD]

April 19, 2002

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Letter responsive to Temporary Note 3T to Article 3 of Regulation S-X

Dear Sir or Madam:

In compliance with Temporary Note 3T to Article 3 of Regulation S-X, I am writing to inform you that Arthur Andersen LLP ("Andersen") has represented to Bentley Systems, Incorporated ("Bentley") that Andersen's audit of the consolidated financial statements of Bentley and its subsidiaries as of December 31, 2001 and for the year then ended, was subject to Andersen's quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards and that there was appropriate continuity of Andersen personnel working on the audit, availability of national office consultation and availability of personnel at foreign affiliates of Andersen to conduct the relevant portions of the audit.

Sincerely,

/s/ Malcolm S. Walter

Malcolm S. Walter
Chief Financial Officer, Senior Vice President and Head of Field Operations