

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 30, 1995

JACK HENRY & ASSOCIATES, INC.
(Exact name of Registrant as specified in its Charter)

Delaware	0-14112	43-1128385
(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

663 Highway 60, P.O. Box 807, Monett, MO 65708
(Address of principal executive offices)(zip code)

Registrant's telephone number, including area code: (417) 235-6652

Item 2. Acquisition or Disposition of Assets

On June 30, 1995, Jack Henry & Associates, Inc. (the "Company") purchased the community banking business unit of Broadway & Seymour, Inc. ("BSI"). The acquisition was effected by the purchase of all of the issued and outstanding capital stock of Liberty Software, Inc., a wholly owned subsidiary of BSI. The total consideration to be paid by the Company is \$12 million.

The Stock Purchase Agreement (the "Agreement") and ancillary agreements between the Company and BSI provide for certain management services to be provided to the Company by BSI over the 12 months following the purchase and provide for certain marketing rights which the Company will grant to BSI. All of BSI's contracts with its community banking customers will be assumed by the Company

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and BSI will gain access to the Company's customers to market other products. Many of the BSI's community banking employees will remain with Liberty, which will be operated as the Liberty division of the Company. The Company believes that the addition of BSI's community banking clients will be a good fit with the Company's core business in community banking and that the combined customer base of the Company and BSI may expect to see a wider array of products and services from both companies.

Item 7. Financial Statements and Exhibits

- (a) and (b) Financial Statements and Pro Forma Financial Information. It is impractical to provide required financial statements or pro forma financial information at this time. Such financial statements and information will be filed as soon as they become available, which is expected to be no later than September 15, 1995.

Exhibit 2	Plan of Acquisition	Stock Purchase Agreement	N/A
Exhibit 10	Material Contracts	Marketing Agreement	N/A
		Master Agreement	N/A
Exhibit 99	Additional Exhibits	Press Release	N/A

SIGNATURES

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

JACK HENRY & ASSOCIATES, INC.

By: /s/ Terry W. Thompson

Terry W. Thompson, Vice President, Treasurer
and Chief Financial Officer

Date: July 17, 1995

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into this 30th day of June, 1995, by and between BROADWAY & SEYMOUR, INC., a Delaware corporation with its principal offices in Charlotte, North Carolina ("BSI") and JACK HENRY & ASSOCIATES, INC., a Delaware corporation with its principal offices in Monett, Missouri ("Purchaser").

BACKGROUND STATEMENT

The Community Financial Institutions business unit of BSI is engaged in the business of providing software and related services to community banks and owns certain valuable assets including software and contract rights and the goodwill associated with its business. BSI has formed Liberty Software, Inc. ("Subsidiary") as a wholly owned subsidiary and will be transferring to Subsidiary a substantial portion of the assets and liabilities of the Community Financial Institutions business unit of BSI. Purchaser is also engaged in the business of providing software and related services to community banks and wishes to acquire all of the issued and outstanding shares of stock of the Subsidiary, thereby acquiring a substantial portion of the assets and assuming a substantial portion of the contracts and liabilities of the Community Financial Institutions business unit of BSI.

STATEMENT OF AGREEMENT

In consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND TERMS

In addition to the terms defined elsewhere in this Agreement, the following terms shall have the meanings indicated below:

1.1 The term "Assumed Contracts" means those contracts, leases, agreements, licenses and other arrangements to which BSI is a party and that are listed in SCHEDULE 3.6(D).

1.2 The term "Assumed Liabilities" has the meaning set forth in SECTION 3.10.

1.3 The term "CFI Assets" means those assets, rights and properties of BSI within the scope of the CFI Business that are to be transferred, assigned and conveyed to Subsidiary in connection with this transaction, as described in more detail in SECTION 3.6.

1.4 The term "CFI Business" means the business presently conducted by the Community Financial Institutions business unit of BSI related to the licensing of Proprietary Software to community banks, maintenance of that software, the operation of service bureaus and the sale of related supplies, but excluding the business related to BancCorp Systems and the business related to the licensing and maintenance of other software products.

1.5 The term "Copyright" means the legal right provided by the Copyright Act of 1976, as amended, to the expression contained in any work of authorship fixed in any tangible medium of expression.

1.6 The term "Documentation" means Proprietary Documentation and Third Party Documentation.

(a) The term "Proprietary Documentation" means those written materials created by BSI that explain Proprietary Software or were used by BSI in the development of Proprietary Software or represent an interim step in BSI's development of Proprietary Software, including, without limitation, logic diagrams, flowcharts, procedural diagrams and algorithms, as well as manuals, training materials, sales materials, error reports and related correspondence and memoranda.

(b) The term "Third Party Documentation" means those written materials owned by BSI that explain any Third Party Software or the use thereof.

1.7 The term "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, together with the

regulations thereunder, in each case as in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

1.8 The term "Financial Statements" means the audited balance sheets and statements of income, retained earnings and cash flows of BSI for the fiscal year ended December 31, 1994 as they relate to the CFI Business; and the unaudited balance sheets and statements of income, retained earnings and cash flows of BSI for the 5 months ended May 31, 1995 as they relate to the CFI Business.

1.9 The term "GAAP" means generally accepted accounting principles as recognized by the American Institute of Certified Public Accountants, as in effect from time to time, applied and maintained on a consistent basis for BSI throughout the period indicated and consistent with BSI's prior financial practices.

1.10 The term "Governmental Authority" means any nation, province, state or other political subdivision thereof, and any government or any natural person or entity exercising executive, legislative, regulatory or administrative functions of or pertaining to government.

1.11 The term "June Balance Sheet" means the unaudited proforma balance sheet setting forth the assets and liabilities, as of June 30, 1995, of that portion of the CFI Business to be transferred by BSI to Subsidiary, to be prepared by BSI subsequent to Closing.

1.12 The term "Know-how" means ideas, designs, compilations of information, methods, techniques, procedures and processes, whether or not patentable.

1.13 The term "May Balance Sheet" means the unaudited proforma balance sheet setting forth the assets and liabilities, as of May 31, 1995, of that portion of the CFI Business to be transferred by BSI to Subsidiary, as jointly developed by the parties, a copy of which is attached hereto as Exhibit 1.13.

1.14 The term "Patent" means any patent granted by the U.S. Patent Office, or by the comparable agency of any other country, and any rights arising under any patent application filed with the U.S. Patent Office or the comparable agency of any other country and any rights which may exist to file any such application.

1.15 The term "Permitted Liens" means: (a) liens for current taxes not yet due and payable, (b) liens arising in the ordinary course of business for sums not yet due and payable, but not involving any borrowed money or the deferred purchase price for property or services and (c) liens that are disclosed on SCHEDULE 1.15.

1.16 The term "Person" means an individual, partnership, corporation, trust, joint venture, joint stock company, association, unincorporated organization, Governmental Authority or other entity.

1.17 The term "Proprietary Rights" means Copyrights, Know-how, Patents, Trade Secrets and Trademarks.

1.18 The term "Related Obligation" means those amounts payable by Purchaser to BSI under the Master Agreement between Purchaser and BSI dated June 30, 1995.

1.19 The term "Software" means "Proprietary Software" and "Third Party Software".

(a) The term "Proprietary Software" means those computer software programs that are owned by BSI and are to be assigned to Subsidiary prior to the Closing (in both object code and source code versions) listed on SCHEDULE 1.19(A) hereto, including every modification and enhancement thereto that has been created by BSI, together with any additional modifications and enhancements thereto created by BSI in the ordinary course of the CFI Business between the date hereof and the Closing Date.

(b) The term "Third Party Software" means those computer software programs listed on SCHEDULE 1.19(B) (in object code only or both source code and object code, as indicated on SCHEDULE 1.19(B)) that are owned by third parties and used or sublicensed by BSI within the scope of the CFI Business.

1.20 The term "Subsidiary Shares" means all of the issued and outstanding shares of common stock of Subsidiary.

1.21 The term "Trade Secrets" means business or technical information that

is not generally known to other Persons and that derives actual or potential commercial value from not being generally known or readily ascertainable to other Persons.

1.22 The term "Trademark" means any symbol used by a Person to identify its goods or services, whether or not registered, and any right that may exist to obtain a registered trademark with respect to any such symbol.

ARTICLE II

CONTEMPLATED TRANSACTIONS

2.1 Shares Acquired. On the terms and subject to the conditions of this Agreement, on the Closing Date BSI shall sell and deliver to Purchaser, and Purchaser shall purchase and accept from BSI, the Subsidiary Shares. At the Closing, BSI shall deliver to the Purchaser the certificate or certificates representing the Subsidiary Shares, properly endorsed for transfer to the Purchaser.

2.2 Consideration. In consideration of the transfer to it of the Subsidiary Shares, Purchaser shall pay BSI the amount of Two Million Dollars (\$2,000,000)(the "Purchase Price"), by certified check or wire transfer of funds at the Closing.

2.3 Closing. The closing of the sale of the Subsidiary Shares (the "Closing") shall take place on June 30, 1995 (the "Closing Date"), or such other date as the parties may establish by mutual agreement as the Closing Date and shall be effective as of the closing of business on the Closing Date. The Closing shall occur at the offices of Robinson, Bradshaw & Hinson, P.A., 1900 Independence Center, 101 North Tryon Street, Charlotte, North Carolina.

2.4 Adjustment of Purchase Price.

(a) Negative Net Worth Adjustment. On or before July 14, 1995, BSI shall deliver to Purchaser the June Balance Sheet prepared in a manner consistent with the May Balance Sheet. To the extent that the June Balance Sheet

reflects a negative net worth for Subsidiary, BSI shall pay to Purchaser one-half (1/2) of the amount of such negative net worth (the "Negative Net Worth Adjustment"); provided that the amount of such Negative Net Worth Adjustment shall in no event exceed Eight Hundred Thousand Dollars (\$800,000.00); provided further that BSI may elect to retain as its obligation that obligation payable to IBM in the amount of Two Hundred Seven Thousand Dollars (\$207,000) and to receive a credit against the Negative Net Worth Adjustment equal thereto; provided further that BSI may elect to either offset the Negative Net Worth Adjustment against the next payment due to BSI under the Related Obligations or to pay such Negative Net Worth Adjustment to Purchaser on or before July 14, 1995. The June Balance Sheet represents BSI's best efforts to identify the assets, liabilities and capital of the Subsidiary as of the date of Closing in a manner consistent with the May Balance Sheet. BSI warrants and represents that the CFI Business has been conducted in the ordinary course and that there have been no material adverse changes in the financial condition of the CFI Business between May 31, 1995 and the Closing Date.

(b) Accounts Receivable Collection Adjustment. As of December 31, 1995 the amount of the accounts receivable shown on the June Balance Sheet (the "Opening Receivables") that have been collected shall be determined (the "Collected Receivables"). Purchaser covenants that it will use diligence in pursuing the collection of all such accounts receivable prior to December 31, 1995 in a manner consistent with Purchaser's practices in pursuing the collection of its own accounts receivable. Without limitation, Purchaser shall communicate its demands by writing and by telephone, follow-up in a timely manner and, to the extent that Purchaser decides it is appropriate to do so, withhold software or services from customers with delinquent accounts receivable. Purchaser shall document its calls, notices and other collection efforts. BSI acknowledges that Purchaser shall not be required to initiate legal action to pursue collections. Should Purchaser and BSI agree prior to December 31, 1995 that any particular account receivable will be uncollectible despite Purchaser's best efforts, Purchaser may cause Subsidiary to reassign that account receivable to BSI and discontinue collection efforts. Any amount received by the Subsidiary from a third party who owes any of the Opening Receivables shall be first applied to the Opening Receivables payable by that third party unless such payment is expressly identified as being related to products or services provided to that third party by the Subsidiary subsequent to Closing. The amount by which the Opening Receivables, less any reserves for uncollectible receivables reflected in

the June Balance Sheet, exceeds Collected Receivables determined as of December 31, 1995, shall be paid by BSI to Purchaser on or before January 2, 1996 or, at BSI's election, offset against the next payment due to BSI under the Related Obligations. On December 31, 1995, and as a condition precedent to BSI's obligation to pay such amounts to Purchaser, Purchaser shall cause Subsidiary to assign to BSI, through an agreement in form and substance reasonably satisfactory to BSI, all of Subsidiary's right, title and interest in any portion of the Opening Receivables that remains uncollected. At the time that any account receivable is reassigned to BSI, Purchaser shall deliver to BSI a written record of its collection efforts with respect to that account receivable.

(c) Effect of Adjustments. Amounts paid by BSI to Purchaser, or credited by BSI to Purchaser pursuant to this Section 2.4 shall not be considered to be "Purchasers Damages" under Section 9.2 hereof.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BSI

BSI represents and warrants to Purchaser that, as of the date hereof:

3.1 Organization and Standing of BSI. BSI is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority and possesses all governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold its properties and assets, to carry on its business as presently conducted and to carry out the transactions contemplated by this Agreement. BSI is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary and in which the failure so to qualify would have a material adverse effect on it or its properties.

3.2 Organization and Standing of Subsidiary. Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has, or will have, all requisite corporate power and authority necessary to enable it to own, lease or otherwise hold its properties and assets and to carry out the transactions contemplated by this Agreement. Subsidiary is, or prior to Closing will be, duly qualified and in good standing to do business in Delaware. Subsidiary shall not have conducted any business prior to Closing. The Certificate of Incorporation of Subsidiary is in the form of Exhibit 3.2-A and the By-Laws of Subsidiary are in the form of Exhibit 3.2-B. Prior to Closing, Subsidiary shall have filed applications to qualify to do business as a foreign corporation in North Carolina, Texas and Minnesota.

3.3 Authority of BSI. BSI has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of BSI. This Agreement has been duly and validly executed and delivered by an authorized officer of BSI and constitutes the legal, valid and binding obligation of BSI, enforceable in accordance with its terms.

3.4 Consents and Approvals; No Violation. There is no requirement applicable to BSI or to Subsidiary to make any filing with, or to obtain any permit, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement. Except as disclosed in SCHEDULE 3.4, neither the execution, delivery and performance of this Agreement by BSI, its compliance with the provisions hereof nor its transfer of a substantial portion of the assets and liabilities of the CFI Business to Subsidiary will: (a) conflict with any provision of the Certificate of Incorporation or bylaws of BSI or Subsidiary; (b) result in a default (or give rise to any right of termination, cancellation or acceleration) under any Assumed Contract, (c) result in the imposition or creation of any lien, security interest, charge or encumbrance upon any CFI Asset; (d) require any authorization, consent, approval or notice under, any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, agreement, contract, lease or other instrument or arrangement to which BSI is a party, except for such of the foregoing as to which requisite waivers or consents have been obtained; or (e) violate any law, statute, rule, regulation, order, writ, injunction or decree of any Governmental Authority.

3.5 Capital Stock of the Subsidiary. The authorized capital stock of the Subsidiary consists of 3,000 shares of voting common stock, of which 3,000 shares are issued and outstanding, all of which are owned by BSI. All outstanding shares of capital stock of the Subsidiary are duly authorized,

validly issued and fully paid and nonassessable. Except as set forth above, there are no shares of capital stock or other equity securities of the Subsidiary outstanding. There are no outstanding, and on the Closing Date there will be no outstanding, warrants, options, agreements, convertible or exchangeable securities or other commitments pursuant to which the Subsidiary is or may become obligated to issue, sell, purchase, return or redeem any shares of capital stock or other securities of the Subsidiary, and there are not any equity securities of the Subsidiary reserved for issuance for any purpose.

3.6 CFI Assets. Except as disclosed in SCHEDULE 3.6, Subsidiary will own at Closing good and valid title to all of the following assets, rights and properties (the "CFI Assets"):

(a) The Proprietary Software and the Proprietary Documentation, including all of BSI's Proprietary Rights therein and all of the inventories of written or electronic copies of the Proprietary Software and the Proprietary Documentation including all media, devices and documentation that constitute all copies of the Proprietary Software and the Proprietary Documentation;

(b) That equipment (including data processing and other computer hardware, telecommunications equipment, media and tools), machinery, furniture and furnishings listed in SCHEDULE 3.6(B) hereto, all of which is presently used by BSI in the CFI Business and all of which is in reasonably good condition and repair and is adequate and sufficient in all material respects to carry on the CFI Business as now conducted, except as otherwise disclosed in SCHEDULE 3.6(B);

(c) All of the customer records, customer lists, vendor lists, correspondence, product and service literature and materials, design, development and maintenance records and files, technical reports and other business documents that are presently used by BSI in the CFI Business (except that BSI may retain copies of any of the foregoing that relate to business that is outside of the scope of the CFI Business and that BSI will continue to conduct subsequent to Closing and except that BSI shall have a right of access, during Jack Henry's normal business hours and at BSI's sole expense, to review and copy those materials to the extent necessary in connection with accounting, reporting and the preparation of tax returns);

(d) Those contracts, leases, agreements, licenses and other arrangements to which BSI is a party and that are listed in SCHEDULE 3.6(D), all of which will be assigned by BSI to Subsidiary prior to the Closing (the "Assumed Contracts");

(e) The accounts receivable that are due and payable under the Assumed Contracts, all of which are collectable in the ordinary course of business at amounts no less than that reflected on the June Balance Sheet except to the extent of any reserve for uncollectible accounts receivable included therein;

(f) Those Trademarks and Patents listed on SCHEDULE 3.6(F) hereto;

(g) The Know-how that is presently used by BSI in connection with the CFI Business (except that BSI shall continue to have the right to use such Know-how outside of the scope of the CFI Business and may retain copies of any documentation of such Know-how that relates to business that is outside of the scope of the CFI Business and that BSI will continue to conduct subsequent to Closing);

(h) The incidental supplies owned by BSI and physically located in the premises used by the CFI Business;

(i) BSI's inventory of software and hardware purchased from third parties for resale to customers in connection with the CFI Business;

(j) BSI's inventory of forms and supplies purchased from third parties for resale to customers in connection with that portion of the CFI Business referred to as the "Single Source" business;

(k) Deferred costs and prepaid commissions within the scope of the CFI Business;

(l) Those "800" telephone numbers used exclusively in connection with the CFI Business; and

(m) The goodwill appurtenant to the CFI Business.

At the Closing, Subsidiary shall own all such CFI Assets free and clear of all mortgages, liens, security interests or encumbrances of any nature whatsoever, except for Permitted Liens and Assumed Liabilities. Except as disclosed in SCHEDULE 3.6, the CFI Assets include all of the material assets presently used by BSI in the operation of the CFI Business.

3.7 Leases. SCHEDULE 3.7 hereto sets forth a list of all leases of real property and all other leases involving annual payments by the lessee of more than \$1,000 related to the CFI Business (the "Leases"). Complete and correct copies of all such Leases have been delivered to Purchaser. Except as disclosed in SCHEDULE 3.7, each of the Leases is a legal, valid and binding obligation of BSI and the other party thereto, enforceable in accordance with its terms except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditor's rights generally and by general principles of equity, and no party to any Lease has given notice to BSI that BSI is in default thereunder or given notice of the termination thereof. Except as disclosed in SCHEDULE 3.7, BSI is aware of no facts or circumstances that exist and that, with the passage of time or the giving of notice or both, would constitute a breach of or an event of default under any of the Leases. The leasehold interests under the Leases are subject to no lien or other encumbrance created by BSI or the Subsidiary other than Permitted Liens.

3.8 Insurance. BSI maintains such insurance policies covering the CFI Business and the CFI Assets as are consistent with prudent business practice. Neither BSI nor Subsidiary has received any notice of cancellation with respect to any such insurance policies or of any unwillingness of an insurer to renew such policies based on standard premium charges.

3.9 Bank Accounts, Signing Authority, Powers of Attorney. Except as set forth on SCHEDULE 3.9 hereto, Subsidiary has no account or safe deposit box in any bank and no Person has any power, whether singly or jointly, to sign any checks on behalf of the Subsidiary, to withdraw any money or other property from any bank, brokerage or other account of Subsidiary or to act under any power of attorney granted by Subsidiary at any time for any purpose. SCHEDULE 3.9 also sets forth the names of all Persons authorized to borrow money or sign notes on behalf of Subsidiary.

3.10 Liabilities. Subsidiary has no liabilities of any nature whatsoever, whether accrued or unaccrued, known or unknown, fixed or contingent except: (a) the obligations arising under the Assumed Contracts including contractual and warranty liabilities; (b) those liabilities disclosed on SCHEDULE 3.10 hereto; and (c) any other liabilities incurred by BSI or Subsidiary in connection with the operation of the CFI Business in the ordinary course of business between the date of the May Balance Sheet and June 30, 1995 and which do not and cannot reasonably be anticipated to have a material adverse effect on the CFI Business or CFI Assets (cumulatively, the "Assumed Liabilities"). Subsidiary is not in default with respect to any outstanding indebtedness for borrowed money or any instrument relating thereto and no such indebtedness or any instrument or agreement relating thereto purports to limit the operation of the CFI Business by Subsidiary. Complete and correct copies of all instruments, (including all amendments, supplements, waivers and consent) relating to any indebtedness for borrowed money of the Subsidiary have been furnished to Purchaser.

3.11 Proprietary Rights.

(a) Except as set forth in SCHEDULE 3.11(A), BSI owns, and will convey to Subsidiary prior to Closing, all Proprietary Rights necessary for the operation of the CFI Business as now conducted.

(b) Except as set forth in SCHEDULE 3.11(B), neither BSI nor Subsidiary has entered into any agreement that limits or restricts its right to use, copy, modify, prepare derivatives of, sublicense, distribute and otherwise market, severally or together, the Proprietary Software and the Proprietary Documentation. Except as set forth in SCHEDULE 3.11(B), there are no agreements or arrangements in effect with respect to the marketing, distribution, licensing or promotion of the Proprietary Software with any current or past employee of BSI or Subsidiary, or with any independent sales person, distributor, sublicensee or other remarketer or sales organization. Neither BSI's or Subsidiary's present use, copying, modification, preparation of derivatives of, sublicensing, distribution or other marketing of the Proprietary Software infringes any intellectual property right of any Person.

(c) Except as set forth in SCHEDULE 3.11(C), BSI owns, and will convey to Subsidiary prior to Closing, all right, title and interest in and to the Copyrights in all Proprietary Software and Proprietary Documentation. BSI

has obtained registrations of such Copyrights to the extent listed in SCHEDULE 3.11(C). BSI will assign all such registrations to Subsidiary prior to Closing. Except as set forth in SCHEDULE 3.11(C), each other Person who has participated in or contributed to the development of the Proprietary Software and the Proprietary Documentation has either: (i) so contributed or participated as an employee of BSI within the scope of his or her employment obligations, (ii) so contributed or participated as an independent contractor pursuant to a valid and binding agreement which specifically assigns all Copyrights to BSI, or (iii) otherwise assigned to BSI the Copyright in any Proprietary Software and Proprietary Documentation.

(d) BSI has taken efforts that are reasonable under the circumstances to prevent the unauthorized disclosure to other Persons of such portions of BSI's Trade Secrets as would enable any such other Person to compete with BSI within the scope of the CFI Business as now conducted.

(e) BSI does not use any Trademark in connection with the CFI Business in any material way, except for those Trademarks listed in SCHEDULE 3.11(E). No such Trademark is registered except as otherwise indicated on SCHEDULE 3.11(E). All such Trademarks, and any registration thereof, shall be transferred to Subsidiary prior to the Closing.

(f) Any Third Party Software used by BSI within the scope of the CFI Business is identified in SCHEDULE 3.11(F). Except as set forth in SCHEDULE 3.11(F), BSI has the legal right to use, sublicense, distribute and otherwise market all Third Party Software in the manner that BSI presently uses, sublicenses, distributes and otherwise markets such Third Party Software in the normal course of the CFI Business. Except as set forth in SCHEDULE 3.11(F), BSI has no obligation to make any payments by way of royalty, fee, settlement or otherwise to any Person in connection with BSI's present use, sublicensing, distribution or other marketing of such Third Party Software.

(g) Except as set forth in SCHEDULE 3.11(G), no claim has been asserted against BSI within the scope of the CFI Business by any other Person: (i) that such Person has any right, title or interest in or to any of BSI's Copyrights, Patents or Trade Secrets, (ii) that such Person has the right to use any of BSI's Trademarks, (iii) to the effect that any past, present or projected act or omission by BSI infringes any rights of such Person to any Copyright, Patent, Trade Secret, Know-how or Trademark, or (iv) that challenges BSI's right to use any of BSI's Copyrights, Patents, Trade Secrets, Know-how or Trademarks.

3.12 Adequacy of Documentation. Except as otherwise disclosed in SCHEDULE 3.12, the Documentation includes the source code, system documentation, statements of principles of operation, and schematics for all Proprietary

Software, as well as any pertinent commentary or explanation that may be necessary to render such materials understandable and usable by a trained computer programmer. Except as otherwise disclosed in SCHEDULE 3.12, the Documentation also includes any program (including compilers), "workbenches", tools, and higher level (or "proprietary") language that are reasonably necessary for the further development, maintenance, and implementation of the Proprietary Software.

3.13 Financial Statements. The Financial Statements have been prepared in accordance with GAAP (except as set forth in the footnotes thereto). To the extent that the Financial Statements separately identify the CFI Business, they fairly present, in all material respects, the results of operations and financial condition of the CFI Business for the periods and as of the dates set forth.

3.14 Absence of Changes or Events. Except as set forth on SCHEDULE 3.14 hereto, or as permitted or contemplated by this Agreement, since December 31, 1994, there has not been: (a) any material change in BSI's assets, liabilities, sales, income or business within the scope of the CFI Business or in its relationships with those suppliers, customers or lessors within the scope of the CFI Business, other than in the ordinary course of business; (b) any acquisition or disposition by BSI of any material asset or property within the scope of the CFI Business other than in the ordinary course of business; (c) any damage, destruction or loss of any property within the scope of the CFI Business, whether or not covered by insurance, that had a material adverse effect on or to the CFI Assets or the CFI Business; or (d) any forgiveness or cancellation of any debt or claim by BSI within the scope of the CFI Business or any waiver by BSI of any right of material value within the scope of the CFI Business, other than compromises of accounts receivables in amounts not material and in the ordinary course of business.

3.15 Assumed Contracts. Except as disclosed in SCHEDULE 3.15, each of the Assumed Contracts is a legal, valid and binding obligation of BSI and the other party thereto, and will be prior to the Closing a legal, valid and binding obligation of Subsidiary and the other party thereto enforceable in accordance with its terms except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws affecting the enforcement of creditor's rights generally and by general principles of equity, and no party to any Assumed Contract has given notice to BSI that BSI is in default thereunder or given notice of the termination thereof. Except as disclosed in SCHEDULE 3.15, BSI is aware of no facts or circumstances that exist and that, with the passage of time or the giving of notice or both, would constitute a breach of or an event of default under any of the Assumed Contracts.

3.16 Litigation. Except as disclosed in SCHEDULE 3.16, there are no lawsuits, actions, claims or legal, administrative or arbitration proceedings or investigations pending or, to the knowledge of BSI, threatened by or against BSI or Subsidiary that threatens the validity of this Agreement or any action taken or to be taken pursuant hereto or that would, if adversely decided, materially adversely affect the CFI Business or the operations and affairs thereof, or the CFI Assets or materially impair the right or ability of the Subsidiary to carry on the CFI Business substantially as now conducted; nor, to the best of BSI's knowledge, does there exist any basis for any such lawsuit, action, claim or proceeding.

3.17 Compliance with Applicable Laws. Except as set forth in SCHEDULE 3.17, BSI is in compliance with all applicable statutes, laws, ordinances, rules, orders and regulations of any Governmental Authority in the operation of the CFI Business, including those related to wages, hours, collective bargaining, the payment of social security taxes and applicable discrimination laws, except where noncompliance would not, individually or in the aggregate, have a material adverse effect on the business, assets, condition (financial or otherwise) or results of operations of the CFI Business. Except as set forth in

SCHEDULE 3.17, BSI has not received any written communication from a Governmental Authority that alleges that BSI is not in compliance with any federal, state, local or foreign laws, ordinances, rules or regulations in connection with its operation of the CFI Business. SCHEDULE 3.17 hereto sets forth a complete and correct list of all material licenses, permits and other authorizations from all Governmental Authorities as are necessary for BSI to conduct the CFI Business as presently conducted or for BSI to own or use the CFI Assets as presently used.

3.18 Employees; Labor Matters. SCHEDULE 3.18 lists the names of all the employees of the CFI Business and, except as otherwise noted thereon, the salary or wage rate for each such employee and a brief description of the responsibilities of each such employee. Except as otherwise disclosed on SCHEDULE 3.18, BSI has not entered into a written employment agreement with any such employee. BSI is not a party to any collective bargaining agreement, and has not recognized or received a demand for recognition of any collective bargaining representative with respect thereto; and during the past three years there have been no material labor strikes, disputes or work stoppages and, to the best of BSI's knowledge, no such actions are threatened against BSI and no basis exists therefor. There are no unfair labor practice claims or charges pending against BSI.

3.19 Employee Benefit Plans; ERISA. SCHEDULE 3.19 identifies each employee pension, retirement, profit sharing, bonus, incentive, deferred compensation, hospitalization, medical, dental, vacation, insurance, sick pay, disability, severance or other plan, fund, program, policy, contract or arrangement providing employee benefits maintained, promised or contributed to by BSI, whether created in writing, through an employee manual or similar document or orally (the "Plans"). BSI has no formal plan or commitment, whether legally binding or not, to create any additional Plan or modify or change any existing Plan that would affect any employee or terminate any employee of BSI. SCHEDULE 3.19 sets forth all liabilities, obligations and commitments of BSI, whether legally binding or not, to make any contributions to any Plan or payments to any employee or any other Person with respect to any of the Plans as of the date hereof. Except as set forth on SCHEDULE 3.19, (a) all such Plans that are subject to ERISA comply in all material respects with ERISA, (b) all contributions to or payments under such Plans that were due and payable by BSI on or before the date hereof have been made, and (c) none of the Plans subject to Title IV of ERISA has been terminated, no proceeding to terminate any of such Plans has been instituted, and there has been no complete or partial withdrawal, cessation of facility operations or occurrence of any other event that would result in the imposition of liability on BSI under Title IV of ERISA.

3.20 Disclosure. No representation or warranty made by BSI in this Agreement or in any exhibit, schedule, or certificate delivered or to be

delivered to the Purchaser pursuant hereto or in connection with the consummation of the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated herein or necessary to make the statements therein not misleading.

3.21 Minute Book. The minute books of Subsidiary made available to the Purchaser for inspection accurately record therein all actions taken by its Board of Directors and Shareholders.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to BSI as follows:

4.1 Organization and Authority. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to execute and

deliver this Agreement and to carry out the transactions and perform the obligations contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Purchaser. This Agreement has been duly and validly executed and delivered by an authorized officer of Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms.

4.2 Consents and Approvals; No Violation. There is no requirement applicable to Purchaser to make any filing with, or to obtain any permit, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement. The execution, delivery and performance of this Agreement by Purchaser and compliance with the provisions hereof will not (a) conflict with any provision of the Certificate of Incorporation or bylaws of Purchaser, (b) violate any material law, statute, ordinance, rule or regulation applicable to Purchaser or (c) result in a breach of or default under any material contract or other agreement of Purchaser, the effect of which would be materially to impair Purchaser's ability to perform its obligations under this Agreement.

4.3 Litigation. There are no lawsuits, actions, claims or legal, administrative or arbitration proceedings or investigations pending or, to the knowledge of Purchaser, threatened by or against or affecting Purchaser, any of its properties, assets, operations or business that could reasonably be expected materially to impair Purchaser's ability to perform its obligations under this Agreement; nor, to the best of Purchaser's knowledge, does there exist any basis for any such lawsuit, action, claim or proceeding.

4.4 Investment. The Subsidiary Shares acquired by the Purchaser pursuant to this Agreement are being acquired for investment only and not with a view to any public distribution thereof, and the Purchaser will not offer to sell or otherwise dispose of the Subsidiary Shares so acquired by it in violation of the Securities Act of 1933.

4.5 Disclosure. No representation or warranty made by Purchaser in this Agreement or in any exhibit, schedule, or certificate delivered or to be delivered to BSI pursuant hereto or in connection with the consummation of the transactions contemplated hereby contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated herein or necessary to make the statements therein not misleading.

ARTICLE V COVENANTS OF BSI

BSI covenants and agrees, that, until the Closing Date:

5.1 Ordinary Conduct. It will conduct the CFI Business in the ordinary course in substantially the same manner as presently conducted and make all reasonable efforts consistent with past practices to preserve its relationships with its customers, suppliers and others with whom it deals and to keep available the services of its officers and employees and that it will not commence any new business in the Subsidiary.

5.2 Sale of CFI Assets. It will not sell, lease or otherwise dispose of, or agree to sell, lease or otherwise dispose of, any of the CFI Assets other than in the ordinary course of business consistent with past practices and except for the transfers to the Subsidiary permitted hereunder.

5.3 Compliance With Contracts. It will comply with all of its obligations under any Assumed Contract, as such obligations become due, to the extent that the failure to comply therewith would have a material adverse effect on the CFI Business, and it will not modify or terminate any Assumed Contract.

5.4 Compliance With Laws. It will comply with all applicable laws, rules and regulations of all Governmental Authorities, the violation of which would have a material adverse effect on the CFI Business.

5.5 Notification of Disputes. It will promptly notify Purchaser of any claim, action, litigation or proceeding that, if adversely determined, would have a material adverse effect on the CFI Business.

5.6 Further Information. It will permit Purchaser to have reasonable access to its employees, books and records to the extent reasonably required for Purchaser to conduct its due diligence investigation of the CFI Business and will promptly furnish to Purchaser, from time to time, such other information regarding its CFI Business as Purchaser may reasonably request.

ARTICLE VI

MUTUAL COVENANTS

6.1 Consummation of Agreement. BSI and Purchaser will use their reasonable efforts to perform or fulfill all conditions and obligations to be performed or fulfilled by them under this Agreement so that the transactions contemplated hereby shall be consummated. Specifically, and without limitation of the foregoing, each party shall exercise reasonable efforts to obtain all approvals, consents, waivers and clearances from, and to deliver and make all notices to and filings with, Governmental Authorities and other Persons that are required by applicable law or by the terms of any material contract or agreement to which it is a party in order to consummate the transactions contemplated by this Agreement. Purchaser acknowledges that BSI is unlikely to obtain all required consents to assignment of the Assumed Contracts to Subsidiary prior to Closing and the parties agree that they will continue to work together in good faith subsequent to Closing until all such consents are obtained or waived and that, until all such consents are obtained, they will enter into such additional subcontracts or similar agreements as may be necessary in order for Subsidiary to perform all of the obligations and exercise all of the rights under such Assumed Contracts. Except for events that are the subject of specific provisions of this Agreement, if any event should occur, either within or outside the control of BSI or Purchaser that would materially delay or prevent fulfillment of the conditions upon the obligations of any party hereto to consummate the transactions contemplated by this Agreement, the parties will notify the others of any such event and will use their reasonable, diligent and good faith efforts to cure or minimize the same as expeditiously as possible.

6.2 Publicity. BSI and Purchaser agree that neither party shall issue any public release or announcement concerning the transactions contemplated hereby without the prior consent of the other, except such releases or announcements as may be required by applicable law or the rules of the NASDAQ National Market System, in which case the releasing party shall permit the other party an opportunity to review and comment upon such release or announcement.

6.3 Further Assurances. Subject to the terms and conditions of this Agreement, each of the parties hereto will use all 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 under applicable laws and regulations to consummate the transactions contemplated hereby.

6.4 Confidentiality.

(a) Until the Closing, each of Purchaser and BSI:

(i) will hold, and will cause its officers, directors, employees, lenders, accountants, representatives, agents, consultants and advisors to hold, in strict confidence all information (other than such information as may be publicly available) furnished to it by the other party in connection with the transactions contemplated by this Agreement as well as all information

concerning the other party hereto contained in any analyses, compilations, studies or other documents prepared by or on behalf of it (collectively, the "Information"); and

(ii) will not, without the prior written consent of the other party hereto, except as required by law, release or disclose any Information to any other Person, except to its officers, directors, employees, lenders, accountants, representatives, agents, consultants and advisors who need to know the Information in connection with the consummation of the transactions contemplated by this Agreement, who are informed by it of the confidential nature of the Information and who are instructed to comply with the terms and conditions of this SECTION 6.4.

(b) If the transactions contemplated by this Agreement are not consummated, the Information, including all analyses, compilations, studies or other documents prepared by or on behalf of Purchaser or BSI, as the case may be, based on the Information disclosed by the other party, will be returned to the other party or destroyed immediately upon such party's request therefor.

ARTICLE VII CLOSING CONDITIONS

7.1 Conditions to Each Party's Obligations to Effect the Transactions Contemplated Hereby. The respective obligations of each party to effect the transactions contemplated hereby shall be subject to the fulfillment of the following condition: neither BSI nor Purchaser shall be subject on the Closing Date to any order, decree or injunction of a court of competent jurisdiction that enjoins or prohibits the consummation of this Agreement, nor shall there be pending a suit or proceeding by any Governmental Authority that seeks injunctive or other relief in connection with the transactions contemplated hereby.

7.2 Conditions to the Obligations of Purchaser to Effect the Transactions Contemplated Hereby. The obligations of Purchaser to effect the transactions contemplated hereby shall be subject to the following conditions, any one or more of which may be waived by Purchaser:

(a) All representations and warranties of BSI contained in this Agreement shall be true and correct in all material respects as of the Closing Date as though made as of such date (except as otherwise expressly contemplated by this Agreement). BSI shall have performed and complied in all material respects with all covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date. BSI shall have executed and delivered to Purchaser at and as of the Closing a certificate, in form and substance satisfactory to Purchaser and Purchaser's counsel, certifying that the conditions specified in this SECTION 7.2(A) have been satisfied.

(b) Purchaser shall have received an opinion from Robinson, Bradshaw & Hinson, P.A., counsel to BSI, dated the Closing Date, addressing matters customary for a transaction of this nature and in a form reasonably acceptable to Purchaser.

(c) BSI shall have obtained all approvals, consents, waivers and clearances from, and shall have delivered and made all notices to and filings with, Governmental Authorities and other Persons required under this Agreement to be obtained or made in order to consummate the transactions contemplated hereby, other than consents to assignment of the Assumed Contracts to Subsidiary.

(d) BSI shall have exerted reasonable good faith efforts to obtain the required consents to assignment of all Assumed Contracts to Subsidiary and those consents that remain outstanding would not have a material adverse effect on the Subsidiary's ability to operate the CFI Business.

(e) No litigation or proceeding shall be pending or threatened that will prevent or, in the judgment of Purchaser, render inadvisable the transactions contemplated by this Agreement.

(f) There shall not have been any material damage to or loss or destruction of any of the CFI Assets or any properties or assets owned or leased by Subsidiary (whether or not covered by insurance) or any material adverse change in the condition (financial or otherwise), operations, business, prospects or assets of the CFI Business or imposition of any laws, rules or regulations which would materially adversely affect the condition (financial or otherwise), operations, business, prospects or assets of the CFI Business since December 31, 1994, other than changes in general economic conditions in the United States.

(g) All of the directors and officers of Subsidiary shall have resigned their positions with Subsidiary on or prior to the Closing Date (subject to reelection to the same or different positions at the discretion of Purchaser) and prior thereto shall have executed such appropriate documents with respect to the transfer or establishment of bank accounts, signing authority, etc., as Purchaser shall have reasonably requested.

(h) BSI shall have executed and delivered to the Purchaser a valid sublease in the form of EXHIBIT 7.2(I) hereto (the "Sublease"), providing for the sublease of a portion of the premises in Charlotte, North Carolina currently leased by BSI and used in connection with the CFI Business, which premises are more specifically described in the Sublease, and shall have obtained and delivered any necessary consents or approvals for the Sublease or the parties shall have otherwise provided to their satisfaction for the temporary use by Subsidiary of those premises pending such consent.

7.3 Conditions to the Obligations of BSI to Effect the Transactions Contemplated Hereby. The obligations of BSI to effect the transactions contemplated hereby shall be subject to the following conditions, any one or more of which may be waived by BSI:

(a) All representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the Closing Date as though made as of such date (except as otherwise expressly contemplated by this Agreement). Purchaser shall have performed and complied in all material respects with all covenants and agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing Date. Purchaser shall have executed and delivered to BSI at and as of the Closing a certificate, in form and substance satisfactory to BSI and BSI's counsel, certifying that the conditions specified in this SECTION 7.3(A) have been satisfied.

(b) Purchaser shall have obtained all approvals, consents, waivers and clearances from, and shall have delivered and made all notices to and filings with, Governmental Authorities and other Persons required under this Agreement to be obtained or made in order to consummate the transactions contemplated hereby.

(c) BSI shall have received an opinion from Shughart, Thomson & Kilroy, P.C., counsel to Purchaser, dated the Closing Date, addressing matters customary for transactions of this nature and in a form reasonably acceptable to BSI.

ARTICLE VIII TERMINATION

8.1 Termination. The obligations of the parties hereunder may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing Date:

(a) by mutual written consent of BSI and Purchaser;

(b) by either BSI or Purchaser, if there shall be any law or regulation that makes consummation of this Agreement illegal or otherwise prohibited or if any judgment, injunction, order or decree permanently enjoining BSI or Purchaser from consummating this Agreement is entered and such judgment, injunction, order or decree shall become final and non-appealable;

(c) by either BSI or Purchaser, if (i) the other party shall fail to perform its agreements contained herein required to be performed by it on or prior to the Closing Date, or (ii) any representation or warranty of the other party shall be found to be untrue or inaccurate as of the date made, provided that such failure or inaccuracy is not cured within ten (10) days after the noncomplying party has received written notice of the other party's intent to terminate this Agreement pursuant hereto; or

(d) by either BSI or Purchaser, if a condition of its obligation to effect the transactions contemplated hereby remains unsatisfied as of the Closing Date or shall have become incapable of fulfillment and shall not have been waived.

8.2 Procedure and Effect of Termination or Failure to Close.

(a) In the event of a termination contemplated hereby by any party pursuant to SECTION 8.1, prompt written notice thereof shall be given to the other party, and the transactions contemplated hereby shall be abandoned, without further action by the other party hereto. In such event:

(i) All filings, applications and other submissions relating to the

transactions contemplated hereby shall, to the extent practicable, be withdrawn from the agency or other Person to which made; and

- (ii) Neither of the parties hereto nor any of their partners, directors, officers, shareholders, employees, agents, or affiliates shall have any liability or further obligation to the other party or any of its partners, directors, officers, shareholders, employees, agents or affiliates pursuant to this Agreement, except: (A) as stated in SECTIONS 6.4 (relating to confidentiality) and 9.1 (expenses) hereof; and (B) BSI and Purchaser shall nevertheless each be entitled to seek any remedy to which it may be entitled at law or in equity for the material violation or breach by the other party of any agreement, covenant, representation or warranty contained in this Agreement.

ARTICLE IX MISCELLANEOUS PROVISIONS

9.1 Expenses. Whether or not the transactions contemplated hereby are consummated, BSI and Purchaser will each pay all costs and expenses incurred by it in connection with the negotiation, preparation and execution of this Agreement and the closing of the transactions contemplated hereby.

9.2 Survival of Representations; Indemnification.

(a) Survival. All representations, warranties, covenants and agreements made by the parties to this Agreement or pursuant hereto shall survive the Closing, but all claims made by virtue of such representations, warranties and agreements shall be made under, and subject to the limitations set forth in, this SECTION 9.2.

(b) BSI's Agreement to Indemnify.

(i) Indemnification. Subject to the limitations, conditions, and provisions set forth herein, BSI agrees to indemnify, defend and hold harmless Purchaser from and against all demands, claims, actions, losses, damages, liabilities, costs and expenses asserted against or incurred by Purchaser resulting from (A) noncompliance with any bulk sale laws applicable to the transactions contemplated by this Agreement, except to the extent any such demands, claims, actions, losses, damages, liabilities, costs and expenses relate to any of the Assumed Liabilities, and (B) a breach of any covenant, agreement, representation or warranty of BSI contained in this Agreement (collectively, "Purchaser Damages"). Should BSI have any obligation hereunder to pay Purchaser Damages to Purchaser, Purchaser may elect to offset the amount of such Purchaser Damages against any Related Obligations.

(ii) Limitation of Liability. BSI shall be obligated to indemnify Purchaser only for those Purchaser Damages as to which Purchaser has given BSI written notice within 24 months after the Closing Date. Any written notice delivered by Purchaser to BSI shall set forth with specificity the basis of the claim for Purchaser Damages and an estimate of the amount thereof. BSI shall have no obligation with respect to the first One Hundred Thousand Dollars (\$100,000) of Purchaser Damages. BSI's cumulative liability for Purchaser Damages shall not exceed Nine Million Dollars (\$9,000,000).

(iii) Conditions of Indemnification. The obligations and liabilities of BSI under this SECTION 9.2(B) with respect to claims for Purchaser Damages resulting from the assertion of liability by third parties ("Purchaser Claims") shall be subject to the following terms and conditions:

(A) Within 20 days after receiving notice thereof, Purchaser will give BSI notice of any Purchaser Claims asserted against or incurred by Purchaser. BSI may undertake the defense thereof by counsel of its own choosing. Purchaser may, by counsel, participate in such proceedings, negotiations or defense at its own expense, but BSI shall retain control over such litigation. In all such cases, Purchaser will give reasonable assistance to BSI.

(B) In the event that, within 20 days after notice of any such Purchaser Claim, BSI fails to notify Purchaser of its intention to defend, Purchaser will (upon further notice to BSI) have the right as against BSI to undertake the defense, compromise or settlement of such Purchaser Claim. BSI may elect to participate

in such proceedings, negotiations or defense at any time at its own expense. Purchaser shall not settle any such Purchaser Claim without the consent of BSI, which consent shall not be unreasonably withheld.

- (c) Purchaser's Agreement to Indemnify.
- (i) Indemnification. Subject to the limitations, conditions, and provisions set forth herein, Purchaser agrees to indemnify, defend and hold harmless BSI from and against all demands, claims, actions, losses, damages, liabilities, costs and expenses asserted against or incurred by BSI resulting from (A) Purchaser's failure to comply with all of its obligations and liabilities under the Assumed Contracts, and (B) a breach of any covenant, agreement, representation or warranty of Purchaser contained in this Agreement (collectively, "BSI Damages").
- (ii) Limitation of Liability. Purchaser shall be obligated to indemnify BSI only for those BSI Damages as to which BSI has given Purchaser written notice within 24 months after the Closing Date. Any written notice delivered by BSI to Purchaser shall set forth with specificity the basis of the claim for BSI Damages and an estimate of the amount thereof. Purchaser shall have no obligation with respect to the first One Hundred Thousand Dollars (\$100,000) of BSI Damages. Purchaser's cumulative liability for BSI Damages shall not exceed Nine Million Dollars (\$9,000,000).
- (iii) Conditions of Indemnification. The obligations and liabilities of Purchaser under this SECTION 9.2(C) with respect to claims for BSI Damages resulting from the assertion of liability by third parties ("BSI Claims") shall be subject to the following terms and conditions:
 - (A) Within 20 days after receiving notice thereof, BSI will give Purchaser notice of any BSI Claims asserted against or incurred by BSI. Purchaser may undertake the defense thereof by counsel of its own choosing. BSI may, by counsel, participate in such proceedings, negotiations or defense at its own expense, but Purchaser shall retain control over such litigation. In all such cases, BSI will give reasonable assistance to Purchaser.
 - (B) In the event that, within 20 days after notice of any such BSI Claim, Purchaser fails to notify BSI of its intention to defend, BSI will (upon further notice to Purchaser) have the right as against Purchaser to undertake the defense, compromise or settlement of such BSI Claim. Purchaser may elect to participate in such proceedings, negotiations or defense at any time at its own expense. BSI shall not settle any such BSI Claim without the consent of Purchaser, which consent shall not be unreasonably withheld.

9.3 Further Assurances. From time to time after the Closing Date, without further consideration, BSI and Purchaser will each, at its expense, execute and deliver, or cause to be executed and delivered, such documents to the other as the other may reasonably request.

9.4 Amendment and Modification. This Agreement may be amended, modified or supplemented only by written agreement of BSI and Purchaser with respect to any of the terms, conditions or provisions contained herein.

9.5 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any of the parties to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any party hereto, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section.

9.6 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered by hand or by facsimile transmission or three days after deposit in the U.S. mail if mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice, provided that notices of a change of address shall be effective only upon receipt thereof):

If to BSI: Broadway & Seymour, Inc.

128 South Tryon Street
Suite 1000
Charlotte, North Carolina 28202
Attention: Mr. William W. Neal
Fax: (704) 344-3542

If to Purchaser: Jack Henry & Associates, Inc.
663 Highway 60
Monett, Missouri 65708
Attention: Mr. Mike Henry
Fax: (417) 235-1765

9.7 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors, and permitted assigns, and shall not confer upon any other Person except the parties hereto any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either party without the prior written consent of the other.

9.8 Governing Law; Jurisdiction. The execution, interpretation and performance of this Agreement shall be governed by the internal laws and judicial decisions of the State of North Carolina.

9.9 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.

9.10 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used herein, the singular shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders.

9.11 Entire Agreement. This Agreement, including the Exhibits and Schedules hereto and the documents delivered pursuant to this Agreement, embody the entire agreement and understanding of the parties hereto in respect of the subject matter hereof. The Exhibits and Schedules hereto are an integral part of this Agreement and are incorporated by reference herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to the transactions contemplated hereby.

9.12 Severability. If any provision of this Agreement is held invalid or unenforceable for any reason, such invalidity or unenforceability will not affect the validity of the remaining provisions hereof, which shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed under seal as of the date first above written.

BROADWAY & SEYMOUR, INC.

By: /s/ William W. Neal
Title: Chairman and Chief Executive Officer

JACK HENRY & ASSOCIATES, INC.

By: /s/ Michael E. Henry
Title: Chairman and Chief Executive Officer

MARKETING AGREEMENT

This Marketing Agreement is entered into this 30th day of June, 1995 by and between Jack Henry & Associates, Inc. ("Jack Henry") and Broadway & Seymour, Inc. ("BSI").

BACKGROUND STATEMENT

Contemporaneously herewith, Jack Henry and BSI are entering into a Stock Purchase Agreement pursuant to which Jack Henry is purchasing all of the issued and outstanding stock of Liberty Software, Inc. ("LSI"). LSI is a wholly owned subsidiary of BSI that has acquired a substantial portion of the assets of the Community Financial Institution business unit of BSI. In connection with that transaction, the parties have agreed to cooperate in connection with BSI marketing certain other software to the combined customer base of Jack Henry and LSI. This Agreement sets forth in more detail the rights and obligations of the parties.

AGREEMENT

NOW, THEREFORE, the parties hereto agree for themselves, their successors and assigns as follows:

1. DEFINITIONS. As used in this Agreement as defined terms, the following terms shall have the meanings set forth below:

1.1 The term "BSI AUXILIARY SOFTWARE" means the BSI software products described in Exhibit A hereto. The parties may enter into one or more Addenda in the future providing that the term "BSI AUXILIARY SOFTWARE" shall also include specific additional software products that are marketed by BSI to Customers during the term of this Agreement for use with the Software to provide functions and capabilities supplemental to the Software.

1.2 The term "CUSTOMERS" means the aggregation of (a) the existing licensees of BSI's Liberty software, for so long as each such license is in existence; (b) the existing licensees of Jack Henry's CIF 20/20 software, for so long as each such license is in existence; (c) the existing licensees of Jack Henry's Silverlake software, for so long as each such license is in existence; (d) the existing licensees of Software owned by any other competitor of Jack Henry at the time Jack Henry directly or indirectly acquires that competitor or the assets thereof; and (e) those third parties who become licensees of Software during the term of this Agreement, whether such licenses are granted by Jack Henry or any direct or indirect subsidiary of Jack Henry, or any other entity resulting from the combination or other reorganization of Jack Henry, for so long as each such license is in existence.

1.3 The term "CUSTOMER LIST" means any list of Liberty Customers retained by BSI and any list of Customers supplied by Jack Henry to BSI pursuant to Section 3.2 hereof.

1.4 The term "SOFTWARE" means all of the following software products to the extent they are being marketed, distributed, licensed or supported during the term hereof by Jack Henry or any direct or indirect subsidiary of Jack Henry, or any other entity resulting from the combination or other reorganization of Jack Henry: (a) BSI's Liberty software; (b) Jack Henry's CIF 20/20 and Silverlake software; and (c) any modification, enhancement or replacement thereof or any third party software that performs essentially the same basic functions as any such software product.

2. BSI RIGHTS AND OBLIGATIONS.

2.1 Right to Market. BSI agrees that it will provide Jack Henry with advance copies of any written materials that are to be mailed or otherwise provided to Customers in connection with a marketing campaign that uses the Customer List to market any software product to the Customer base. Except as otherwise expressly provided above and in Section 6.7 hereof, BSI shall have and retain the right to market BSI Auxiliary Software to Customers through whatever means BSI determines to be appropriate. Except as otherwise expressly provided in Section 6.7 hereof, BSI shall have and retain the right to enter into any agreements with Customers with respect to the BSI Auxiliary Software that BSI may determine to be appropriate, without any approval by or consent from Jack Henry.

2.2 BSI Obligations. BSI shall have the sole responsibility for developing any new products that are to be included within the scope of BSI Auxiliary Software and for enhancing, marketing, installing and supporting all BSI Auxiliary Software. BSI shall have the sole contractual relationship with

Customers with respect to BSI Auxiliary Software and shall be solely responsible for all of its warranties and representations relating to BSI Auxiliary Software.

3. JACK HENRY RIGHTS AND OBLIGATIONS.

3.1 Endorsements and Marketing Assistance. Upon the execution of this Agreement and from time to time during the term of this Agreement upon request by BSI, Jack Henry shall endorse the BSI Auxiliary Software as the preferred supplemental software for Customers. BSI and Jack Henry shall cooperate in good faith in developing the text of each such written endorsement and distributing the endorsement to Customers. Jack Henry shall identify BSI as a provider of supplemental products in its advertising and direct mail solicitations whenever it would be commercially appropriate to do so given the nature and other content of the materials. The above notwithstanding, Jack Henry shall not be required to endorse any unproven BSI Auxiliary Software until BSI has reasonably demonstrated the adequacy of that software through successful implementation.

3.2 Customer Access. Upon the execution of the first Addendum to this Agreement, Jack Henry shall provide BSI with a customer list, identifying each Customer (other than customers of BSI's Liberty software) and including the name, address and telephone number of Jack Henry's principal contact at each such Customer. Upon request by BSI from time to time during the term of this Agreement, Jack Henry shall update the customer list to assure that it is complete and accurate (with the initial customer list and all updates thereto cumulatively referred to in this Agreement as the "Customer List"). Upon request by BSI from time to time during the term of this Agreement, Jack Henry shall introduce representatives of BSI to its Customer contacts. Jack Henry shall notify BSI in advance of all scheduled meetings of the Jack Henry users group and other customer events and shall assist BSI in securing a visible and prominent presence at such events, at BSI's sole expense. Upon the expiration or earlier termination of this Agreement, BSI shall return to Jack Henry or destroy all of BSI's copies of any Customer List in any tangible form, including written documents and electronic storage.

3.3 Technical Support. Jack Henry shall cooperate with BSI to assure that each Customer has access to appropriate interfaces allowing the Customer to use the BSI Auxiliary Software with the Software. Jack Henry shall develop that portion of each such interface that is typically developed by the licensor of the underlying software in accordance with normal industry standards and shall provide BSI with the specifications and information required for BSI to develop the remainder of each such interface.

4. COMPENSATION.

4.1 Marketing Commission. In consideration of Jack Henry's performance of its obligations as set forth hereunder, BSI shall pay Jack Henry with respect to each BSI Auxiliary Software product, a reasonable and appropriate percentage of the license fees actually received by BSI during the term of this Agreement from Customers with respect to their licensing of that BSI Auxiliary Software product. Subsequent to the execution of this Agreement, the parties shall negotiate in good faith and execute an Addendum setting forth the marketing commission rate for each specific BSI Auxiliary Software product; should the parties be unable to negotiate any such Addendum, this Agreement shall be void. Jack Henry shall not be entitled to a percentage of any fees or other amounts charged by BSI for maintenance, custom product development or enhancement, the provision of other services or the provision of third party hardware or software. BSI agrees that it will not reallocate license fees to other products or services for the purpose of avoiding or decreasing the payments due to Jack Henry hereunder. In the event that BSI charges any Customer a single fee representing a license fee for BSI Auxiliary Software and fees or charges for other products or services, BSI shall be deemed to have charged the Customer a license fee for the BSI Auxiliary Software equal to the amount that would have been charged in like circumstances if each product and service had been billed separately.

4.2 Payment of Marketing Commission. BSI shall calculate the marketing commission payable to Jack Henry at the end of each calendar year quarter and shall pay the marketing commission within thirty (30) days thereafter. At the time it makes each payment, BSI shall provide Jack Henry with a report describing in reasonable detail its basis for calculating the marketing commission due.

4.3 Right of Audit. Upon reasonable advance request by Jack Henry during the term of this Agreement (and for a period of one year thereafter), Jack Henry shall have the right during BSI's normal business hours to audit those books and records of BSI required to confirm the calculation of marketing commissions. All such information shall be disclosed to Jack Henry in strict confidence and Jack Henry may not disclose such information to any third party nor use any such information for any purpose whatsoever other than the confirmation of the marketing commission calculation.

5. TERM. This Agreement shall commence upon the execution hereof and shall continue for a term of five years. Either party may terminate this Agreement during the term hereof should the other party breach a material term of this Agreement and fail to cure that breach within sixty (60) days after notice from the nonbreaching party identifying specifically the nature of the breach and the steps that must be taken to cure the breach. In addition, Jack Henry may terminate this Agreement during the term hereof should BSI (a) fail to develop, market and maintain the BSI Auxiliary Software in a competent manner, consistent with accepted norms in the computer industry or (b) fail to exert reasonable commercial efforts to assure that no significant portion of those Customers who are licensees thereof are unable to satisfactorily use the BSI Auxiliary Software for its intended purpose and, in either case, fail to cure that deficiency within sixty (60) days after notice from Jack Henry identifying specifically the nature of the deficiency and the steps that must be taken to cure the deficiency. BSI may terminate this Agreement by notice to Jack Henry if, at any time, there is no BSI Auxiliary Software covered by this Agreement and the parties are unable to reach agreement with respect to an Addendum adding software to this Agreement within thirty (30) days subsequent to such notice.

6. MISCELLANEOUS TERMS.

6.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when delivered by hand or by facsimile transmission or three days after deposit in the U.S. mail if mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice, provided that notices of a change of address shall be effective only upon receipt thereof):

If to BSI: Broadway & Seymour, Inc.
128 South Tryon Street
Suite 1000
Charlotte, North Carolina 28202
Attention: Mr. William W. Neal
Fax: (704) 344-3542

If to Jack Henry: Jack Henry & Associates, Inc.
663 Highway 60
Monett, Missouri 65708
Attention: Mike Henry
Fax: (417) 235-1765

6.2 Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, and shall not confer upon any other person except the parties hereto any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either party without the prior written consent of the other.

6.3 Arbitration. Any dispute arising out of or relating to this Agreement, specifically including any dispute with respect to the amount of royalties payable to Jack Henry hereunder, shall be resolved through arbitration in accordance with the rules of the American Arbitration Association. The arbitration shall be conducted in Charlotte, North Carolina. The decision of the arbitrators shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction.

6.4 Governing Law; Jurisdiction. The execution, interpretation and performance of this Agreement shall be governed by the internal laws and judicial decisions of the State of North Carolina.

6.5 Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. As used herein, the singular shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders.

6.6 Entire Agreement. This Agreement, including the Exhibit hereto, embodies the entire agreement and understanding of the parties hereto in respect of the subject matter hereof. This Agreement supersedes all prior agreements and understandings between the parties with respect to the transactions contemplated hereby and may not be modified except in a writing signed by both of the parties hereto.

6.7 Noncompetition Agreement. During the term of this Agreement and for so long thereafter as BSI retains any Customer List in any tangible form, including written documents and electronic storage, BSI shall not use the Customer List to market any software product to the Customer base except pursuant to an Addendum to this Agreement or with the prior written consent of

Jack Henry. BSI acknowledges that the foregoing restriction shall apply to any marketing effort that targets the Customers on the Customer List, whether through written mailing or other solicitation or personal contact. Jack Henry acknowledges that the foregoing restriction shall not preclude BSI from marketing software products to any third party, including a Customer, unless the marketing effort is part of a targeted effort using the Customer List to market the software product to the Customer base.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day first written above.

BROADWAY & SEYMOUR, INC.

JACK HENRY & ASSOCIATES, INC.

By: /s/ William W. Neal

By: /s/ Michael E. Henry

Title : Chairman and
Chief Executive Officer

Title: Chairman and
Chief Executive Officer

MASTER AGREEMENT

THIS MASTER AGREEMENT is entered into this 30th day of June, 1995, by and between Broadway & Seymour, Inc., a Delaware corporation with its principal place of business in Charlotte, North Carolina 28202 on behalf of itself and its wholly owned subsidiaries (cumulatively, "BSI") and Jack Henry & Associates, Inc. ("Client"), a Delaware corporation with its principal place of business in Monett, Missouri.

1. NATURE OF AGREEMENT

1.1 Scope and Purpose of Agreement. Prior to the execution of this Agreement, BSI has evaluated and assessed Client's software related needs and has determined the extent to which the software licensed hereunder would be appropriate for Client's needs. This Agreement relates to BSI's licensing to Client of certain intellectual property rights and BSI's provision to Client of certain services. This Agreement does not relate to the sale of tangible copies of software to Client.

1.2 Effect of Master Agreement. This Agreement constitutes the complete understanding between the parties with respect to the terms and conditions set forth herein and supersedes all previous written or oral agreements and representations. The terms and conditions of this Agreement shall control over any terms and conditions in any solicitation, request for proposal, proposal, purchase order, acknowledgment or other written form. This Agreement may be modified only in a writing that expressly references this Agreement and is executed by both of the parties hereto.

1.3 Term. This Agreement shall become effective upon execution by both of the parties hereto and shall continue in effect for a term of one year. This Agreement shall thereafter continue until the license granted hereunder is terminated by BSI or Client pursuant to Section 2.2. The provisions of Articles 5 and 6 hereof shall survive and continue in full force and effect notwithstanding the termination of this Agreement or such license.

1.4 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

1.4.1 "BANCStar Application" means any application program created by Client that is generated by BANCStar Generator and executed by BANCStar Processor, including any derivative version of BANCStar Spectrum created by Client.

1.4.2 "BANCStar Generator" means Version 10.0 of BSI's BANCStar Generator in both object and source code, the related Technical Reference Guide and both object and source code versions of the separate software package used to generate the license and security file for each user and any existing documentation related thereto, together with any updates and new releases thereof provided to Client during the term hereof in connection with the Maintenance Services.

1.4.3 "BANCStar Processor" means Version 10.0 of BSI's BANCStar Processor in both object and source code and the related Standard User Manual and standard demonstration application set, together with any updates and new releases thereof provided to Client during the term hereof in connection with the Maintenance Services.

1.4.4 "BANCStar Spectrum" means the current version of BSI's BANCStar Spectrum in both object and source code, including all of the existing modules thereof, and all existing system and user level documentation related thereto.

1.4.5 "BSI Software" means BANCStar Processor, BANCStar Generator and BANCStar Spectrum.

1.4.6 "Community Banks" means those financial institutions that have assets of no more than One Billion Dollars and who are licensees of the CIF 20/20, Silverlake or Liberty software owned directly or indirectly by Client, or any modification or new version thereof.

1.4.7 "Maintenance Services" means those maintenance and support services provided by BSI to Client pursuant to Article 4 of this Agreement.

1.4.8 "Transition Services" means those services provided by BSI to

2. LICENSE OF BSI SOFTWARE

2.1 Grant of License. BSI hereby grants to Client, and Client hereby accepts from BSI, subject to the terms and conditions of this Agreement (specifically including the restrictions on use), a nontransferable right and license in and to the BSI Software. Upon the payment of the license fee specified in Exhibit B, the license shall be fully paid and royalty-free. The license is worldwide, subject to the restrictions set forth in Section 8.1. The license is perpetual unless terminated by either party in accordance with Section 2.2. The license shall be exclusive as to BANCStar Spectrum and nonexclusive as to BANCStar Generator and BANCStar Processor.

Client shall have only those rights in the BSI Software expressly granted herein and BSI retains all other right, title and interest in the BSI Software. BSI retains all rights to patents, copyrights, trademarks and trade secrets in or relating to the BSI Software.

Client shall retain all legends relating to copyright or confidentiality on all copies of the BSI Software and shall stamp any additional copies of these materials and all portions, modifications, or other compilations thereof with appropriate confidentiality legends.

2.2 Term. Client's right and license to use the BSI Software shall be effective until terminated in accordance with the express provisions of this Section 2.2. Client may terminate the license upon written notice to BSI and compliance with the procedures described below. BSI may terminate the license upon written notice to Client should Client materially breach Section 2.3 or Article 6 hereof and fail to cure that breach within sixty (60) days after written notice from BSI specifying in detail the nature of the breach and the steps that must be taken by Client to cure the breach. Upon termination, Client shall discontinue the use of and shall return to BSI all copies of the BSI Software and related documentation and shall destroy, and document in writing such destruction of, any embodiments of these materials stored in or on a reusable electronic or similar medium, including but not limited to memory, disk packs, tape, and other peripheral devices. Termination of the license by Client or BSI shall in no event entitle Client to a refund of any license fees. Any permitted sublicense granted by Client during the term of this Agreement shall survive the termination of this license.

2.3 Restrictions on Use. Client shall not use, copy, display, perform, distribute, sublicense or create derivative works of the BSI Software except to the extent expressly provided below:

2.3.1 Client may use, copy and create derivative works of BANCStar Generator for its internal purposes in writing and compiling BANCStar Applications to be licensed to Community Banks. Client shall not transfer, sublicense or otherwise assign its rights in

BANCStar Generator to any third party nor allow any third party to access or use BANCStar Generator.

2.3.2 Client may use, copy and create derivative works of both object and source code versions of BANCStar Processor for its internal purposes in developing, maintaining and modifying BANCStar Processor. Client may grant sublicenses to Community Banks permitting each such Community Bank to use object code copies of BANCStar Processor for the Community Bank's internal business use, contingent upon Client having included in each such sublicense terms that protect BSI's intellectual property rights in BANCStar Processor and impose an obligation of confidentiality on the sublicensee in a manner no less extensive than BSI's Master License for Liberty software, a copy of which is attached as Exhibit C. Client shall not transfer, sublicense or otherwise assign its rights in BANCStar Processor to any third party nor allow any third party to access or use BANCStar Processor except as provided above.

2.3.3 Client may use, copy, display and create derivative works of BANCStar Spectrum and grant sublicenses of BANCStar Spectrum to Community Banks.

2.3.4 Should any Community Bank that is a sublicensee of BSI Software hereunder cease to be a Community Bank, as defined herein, as a result of acquiring, being acquired by or merging with another banking institution, that Community Bank may retain its then existing sublicense of BSI Software but Client may not grant that sublicensee any further rights in BSI Software that would expand

the use thereof beyond that scope of use typical for a Community Bank.

- 2.4 Client Responsibility. Client shall be solely responsible for obtaining, maintaining and operating at its expense all computer hardware and software necessary for the use of the BSI Software being licensed pursuant to this Agreement. Without limiting the generality of the foregoing, Client acknowledges that it must license software from Bankers Systems in order to generate disclosure forms and documents.

3. TRANSITION SERVICES

For a period of one year commencing upon the date hereof, BSI shall provide to Client those Transition Services that are identified in Exhibit A hereto. In addition to its obligations and liabilities hereunder, Client shall have those obligations and liabilities relating to the Transition Services described in Exhibit A hereto.

4. SOFTWARE MAINTENANCE SERVICES

- 4.1 Updates. Prior to developing each new version of BANCStar Processor and BANCStar Generator, BSI shall consult with Client to determine its needs and the extent to which the proposed new version would meet those needs. BSI shall provide to Client all generally available updates and new versions of BANCStar Processor and BANCStar Generator that are developed by BSI. BSI shall deliver each such update and new version of BANCStar Processor to Client, on suitable medium and in both object and source code, at the time BSI first makes such software generally available to its customers. BSI shall deliver each such update and new version of BANCStar Generator to Client, on suitable medium and in both object and source code, at the time BSI first makes application programs generated by such software (other than custom programs for specific users) available to its customers. Each such update and new version that is delivered to Client

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pursuant to this Section shall be deemed to be licensed to Client subject to all of the terms, conditions, restrictions and limitations applicable hereunder to licensed versions of the BANCStar Processor or BANCStar Generator, as the case may be.

- 4.2 Documentation. At the time that it delivers each updated or new version of BANCStar Processor to Client, BSI shall deliver to Client on suitable electronic medium or in hard copy, any then existing updated version of the related Standard User Manual and standard demonstration application set. At the time that it delivers each updated or new version of BANCStar Generator to Client, BSI shall deliver to Client on suitable electronic medium or in hard copy, any then existing updated version of the related Technical Reference Guide. If any of the foregoing updated documentation is not available at the time that the updated or new version of the software is delivered to Client, BSI shall deliver to Client any such documentation that BSI may subsequently create as soon as any such documentation becomes generally available. All of the foregoing documentation that is delivered to Client pursuant to this Section shall be deemed to be licensed to Client subject to all of the terms, conditions, restrictions and limitations applicable hereunder to licensed versions of the BANCStar Processor or BANCStar Generator, as the case may be.

- 4.3 Technical Support. BSI shall provide to Client reasonable levels of technical consultation and advice relating to the application and use of the BSI Software, including all updated and new versions thereof delivered to Client pursuant to this Agreement. All such consultation and support shall be by telephone during the hours that BSI generally makes such support available to its other customers. In addition, BSI shall provide to Client on a regular basis any patches that are generally made available to customers to correct errors in licensed versions of BSI Software. BSI shall have no obligation to develop software or documentation for Client, to provide consultation or assistance at Client's premises or to provide support or other services of any nature whatsoever to Client's sublicensees.

- 4.4 Maintenance Term. BSI shall provide the Maintenance Services to Client for a period of one year commencing upon the execution of this Agreement and shall continue thereafter to provide the Maintenance Services to Client during the term of this Agreement for so long as, and to the extent that BSI continues to generally offer such support services to its customers relating to the BSI Software licensed hereunder.

5. WARRANTIES AND REMEDIES

- 5.1 Warranties. Client acknowledges that BSI has agreed to allow Client to hire present BSI employees who are knowledgeable and experienced in the use, maintenance and application of BSI Software. Accordingly, BSI is providing all of the BSI Software and related documentation hereunder, specifically including any updates and new versions thereof provided pursuant to the Maintenance Services, "AS IS" without any warranty whatsoever. BSI EXPRESSLY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, RELATING TO THE BSI SOFTWARE INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 5.2 Limitation of Liability. IN NO EVENT SHALL BSI BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, DATA OR USE, ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER IN AN ACTION IN CONTRACT, BREACH OF WARRANTY OR TORT, EVEN IF BSI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- 5.3 Indemnity. BSI shall indemnify, defend and hold Client harmless from any loss, damage or cost (including attorneys fees and court costs should BSI breach its obligation to defend) arising out of a third party claim that any BSI Software infringes any copyright, trade secret, patent or other intellectual property right of that third party in the United States. BSI's obligation of indemnification is contingent upon Client promptly notifying BSI of any such claim, granting BSI the sole control over the defense and settlement of such claim and cooperating with BSI in the defense of the claim (at the expense of BSI). At BSI's option, it may mitigate Client's losses by: (a) modifying or replacing the BSI Software so that it performs comparable functions without material degradation in efficiency and without infringement; or (b) obtaining a royalty-free license for Client and Client's sublicensees to use the infringing BSI Software in the manner permitted herein. Any damages payable by Client to any third party as a result of such infringement shall be considered to be "Purchaser's Damages" under that Stock Purchase Agreement between the parties of even date herewith, subject to the cumulative limitations on liability included therein.

6. CONFIDENTIALITY

- 6.1 Definition and Identification of Confidential Information. The term "Confidential Information" means BANCStar Generator and BANCStar Processor and any documentation, algorithm, compilation of information, method, technique or process related thereto that is not generally known to the public and that derives value from not being generally known to the public.
- 6.2 Limitations on Disclosure and Use of Confidential Information. Client agrees that it will use the same degree of care in protecting the confidentiality of the Confidential Information that it uses to protect its own confidential information of like importance. In addition, Client agrees that it shall: (a) not use the Confidential Information for any purpose beyond the scope of this Agreement; (b) upon request by BSI, return any portion of the Confidential Information that Client no longer has the right to use, including all copies thereof, and all abstracts, summaries or documents produced using such Confidential Information; (c) not disclose any part of the Confidential Information to any person or entity other than as expressly permitted herein; and (d) take reasonable steps to assure that its employees and consultants who have access to the Confidential Information do not use or disclose any part of the Confidential Information in violation of this Agreement.
- 6.3 Exclusions. Client's obligations under this Agreement shall not apply to any information that: (a) at the time of disclosure to Client was in the public domain or subsequently becomes a part of the public domain through no breach of this Agreement; (b) Client had in its possession at the time of disclosure by BSI, as established by written documentation in existence at the time, and that was not acquired directly or indirectly from BSI; (c) Client subsequently acquires by lawful means from a third party who is under no obligation of confidentiality or non-use owed to BSI; or (d) Client subsequently develops without any use of or reference to the Confidential Information, as established by written documentation produced contemporaneously with the development of such information. In addition, nothing in this Article 6 shall be construed as precluding Client from granting any license permitted hereunder and delivering the licensed software and documentation to the permitted sublicensee.
- 6.4 Disclosure Pursuant to Legal Process. Should Client become legally compelled to disclose any portion of the Confidential Information in connection with a lawsuit or similar proceeding or to any governmental

agency, Client shall give BSI prompt notice of that fact, including in its notice the legal basis for the required disclosure and the nature of the Confidential Information that must be disclosed. Client shall cooperate fully with BSI in obtaining a protective order or other appropriate protection relating to the disclosure and subsequent use of the Confidential Information. Client shall disclose only that portion of the Confidential Information that is legally required to be disclosed.

6.5 Enforcement. Client acknowledges that BSI would have no adequate remedy at law should Client breach its obligations under this Article and agrees that BSI shall be entitled to enforce its rights under this Article by obtaining appropriate equitable relief including a temporary restraining order and an injunction.

7. FEES

In consideration of BSI's license to Client of the BSI Software and its provision of the Transition Services and the Maintenance Services, Client shall pay BSI the fees specified on Exhibit B hereto in accordance with the schedule set forth on Exhibit B hereto. The quoted fees do not include taxes. Any federal, state or local taxes based on the products or services provided under this Agreement shall be paid by BSI.

8. MISCELLANEOUS PROVISIONS

8.1 Export Administration. Client may not use or sublicense BSI Software for use outside of the United States without the prior written consent of BSI, which will not be unreasonably withheld. In no event may Client export any BSI Software or use any BSI Software outside the United States unless it has complied fully with all relevant regulations of the U.S. Department of Commerce and with the U.S. Export Administration Act. Client will deliver to BSI any requested certifications of compliance.

8.2 Governing Law. This Agreement shall be governed by the laws of the State of North Carolina.

8.3 Notices. All notices, including notices of address changes, required to be sent hereunder shall be in writing and shall be deemed to have been given when mailed by prepaid certified mail, return receipt requested, or sent by telefax to the party at the address set forth with its signature below.

8.4 Interpretation of Agreement. In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force and effect. No delay or failure by either party in exercising any right under this Agreement shall be construed to be a waiver of that right nor of the right to assert a claim with respect to any future breach of this Agreement.

8.5 Assignment. Client may assign all or any part of its rights hereunder to LSI or to any other Affiliate (as defined below) but Client shall remain fully responsible for the compliance by its Affiliate with all of the terms, conditions, limitations and restrictions contained herein. As used in this Agreement, the term "Affiliate" means any entity that is directly or through one or more intermediaries controlled by Client, such control to be evidenced by ownership of at least fifty percent (50%) of the voting stock or other equity interests of an entity. Should Client, LSI or any such Affiliate be directly or indirectly acquired by a third party (whether in connection with a sale of stock or assets) the rights hereunder shall lapse as to that third party unless BSI has consented to such acquisition. BSI agrees that it shall not unreasonably withhold or delay any such consent. Neither party may otherwise assign any right or obligation under this Agreement to any third party.

8.6 Force Majeure. Neither party shall be held responsible for any delay or failure in performance to the extent that such delay or failure is caused by fire, flood, explosion, war, strike, embargo, government regulation, civil or military

authority, act of God, acts or omissions of carriers or other similar causes beyond its control.

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

By:/s/ William W. Neal

By:/s/ Michael E. Henry

Title: President

Title: Chairman and
Chief Executive Officer

NOTICE:

NOTICE:

Broadway & Seymour, Inc.
128 South Tryon Street
Suite 1000
Charlotte, North Carolina 28202
Attention: Mr. William W. Neal
Fax: (704) 344-3542

Jack Henry & Associates, Inc.
663 Highway 60
Monett, Missouri 65708
Attention: Mr. Mike Henry
Fax: (417) 235-1765

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: Mr. Terry W. Thompson
Jack Henry & Associates, Inc.
663 Highway 60, P.O. Box 807
Monett, Missouri 65708
417-235-6652

JACK HENRY & ASSOCIATES COMPLETES THE PURCHASE
OF THE COMMUNITY BANKING BUSINESS OF BROADWAY & SEYMOUR

Monett, Mo., June 30, 1995 - Jack Henry & Associates (NASDAQ:JKHY) a leading vendor of computer software and hardware to community banks in the U.S. announced that it has completed the transaction to purchase the Community Banking Business (CFI) of Broadway & Seymour (BSIS) with locations in Charlotte, NC; St Paul, MN; and Houston, TX. Broadway & Seymour, like Jack Henry & Associates ("JHA"), markets software to banks. The unit had an installed base of approximately 340 customers in over 35 states. The cash transaction requires a total of \$12,000,000 in payments over a twelve month period.

Michael E. Henry, Chairman & CEO for JHA, stated the Company is very excited about the CFI purchase. It clearly establishes the Company as the premier leader in providing in-house banking software and services using IBM mid-range systems. The end result is a stronger and more capable JHA with the combined resources and capabilities of both units. This transaction could add revenues in excess of \$15,000,000 and provide JHA more opportunities for growth and profitability than any prior acquisition per Mr. Henry. Mr. Henry also indicated the CFI customers will appreciate the same quality service and support JHA's customers receive on a daily basis. This continues the Company's plans to provide growth through occasional strategic acquisitions.

Jack Henry & Associates, Inc. provides integrated computer systems and ATM networking products for banks and other financial institutions. JHA markets and supports its systems throughout the United States and overseas. The Company has over 1230 customers worldwide.

THIRTY