

08-21-1998



SHEET

Assistant Commissioner for Patents.

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n original document.

1. Name of conveying party(ies):
NetSuite Development Limited Partnership
Additional name(s) attached? [] Yes [X] No

2. Name and address of receiving party(ies):
NetSuite Development Corporation
300 Baker Avenue, Suite 302
Concord, MA 01472

3. Nature of conveyance:
[] Assignment
[] Merger
[] Security Agreement
[] Change of Name
[X] Other: Bill of Sale and General Conveyance

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8-10-98

Additional names/addresses attached? [] Yes [X] No

Execution Date: September 17, 1997

4. Application number(s) or patent number(s):
If this document is being filed with a new application, the execution date of the application is:
A. Patent Application No.(s): 08/606/327
B. Patent No.(s):

Additional numbers attached? [] Yes [X] No

5. Name/address of party to whom correspondence concerning document should be mailed:
Alan D. Smith
Fish & Richardson P.C.
225 Franklin Street
Boston, MA 02110-2804

6. Total number of applications/patents involved: 1

7. Total fee (37 CFR 3.41): \$40
[X] Enclosed
[] Authorized to charge deposit account

8. Deposit account number: 06-1050
If the fee above is being charged to deposit account, a duplicate copy of this cover sheet is attached. Please apply any additional charges, or any credits, to our Deposit Account No. 06-1050.

DO NOT USE THIS SPACE

9. Statement and signature: To the best of my knowledge and belief, the foregoing information is true and correct and the attached is a true copy of the original document.

Jonathan J. Wainer

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 10

Date of Deposit 8/10/98
I hereby certify under 37 CFR 1.8(a) that this correspondence is being deposited with the United States Postal Service as first class mail with sufficient postage on the date indicated above and is addressed to the Assistant Commissioner for Patents, Washington, D.C. 20231.

Debra M. Stinson
PATENT

REEL: 9389 FRAME: 0189

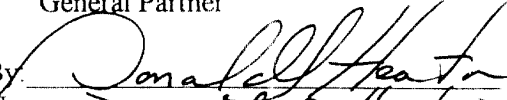
BILL OF SALE AND GENERAL CONVEYANCE

In consideration of the issuance and sale of the Securities as set forth in Section 2.2 of the Purchase Agreement dated September 17, 1997 (the "Purchase Agreement"), by and between NetSuite Development Limited Partnership, a Massachusetts limited partnership (the "Seller"), and NetSuite Development Corp., a Massachusetts corporation (the "Purchaser"), the receipt of which is hereby acknowledged, the Seller hereby sells, transfers, assigns, sets over and conveys to the Purchaser all of its right, title and interest in, to and under the Transferred Assets (as such term is defined in Section 1.1 of the Purchase Agreement), to have and to hold such Transferred Assets, for the Purchaser and its successors and assigns, for their own use forever.

IN WITNESS WHEREOF, the Seller has executed this Bill of Sale and General Conveyance as of this 17th day of September, 1997

NETSUITE DEVELOPMENT LIMITED
PARTNERSHIP

By: Capital Software Development, Inc.,
General Partner

By: 
Name: Donald S. Heaton
Title: Vice President + Treasurer

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REEL: 9389 FRAME: 0190



NETSUITE DEVELOPMENT CORP.

PURCHASE AGREEMENT

dated as of September 17, 1997

PATENT
REEL: 9389 FRAME: 0191

NETSUITE DEVELOPMENT CORP.

PURCHASE AGREEMENT

PURCHASE AGREEMENT (this "Agreement"), dated as of September 17, 1997 is entered into between NetSuite Development Limited Partnership, a Massachusetts limited partnership (the "Seller"), and NetSuite Development Corp., a Massachusetts corporation (the "Purchaser").

PRELIMINARY STATEMENTS

1. The Seller desires to convert its business form from a limited partnership to a corporation as contemplated in the Amended and Restated Agreement of Limited Partnership of the Seller.

In consideration of the foregoing and the mutual representations, warranties and covenants contained in this Agreement, the Seller and the Purchaser agree as follows:

Section 1. Purchase and Sale of Assets.

Section 1.1 Purchase and Sale of Assets. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined), the Seller shall sell, transfer, convey, assign and delivery to the Purchaser, and the Purchaser shall purchase, acquire and accept from the Seller, all of the Seller's right, title and interest in, to and under the assets, properties and rights of the Seller (the "Transferred Assets").

Section 1.2 Assumption of Liabilities. Subject to the terms and conditions of this Agreement, on the Closing Date, the Purchaser shall assume and agree to pay, perform and discharge when due all of the debts, liabilities, obligations and commitments of the Seller (the "Assumed Liabilities").

Section 2. Authorization and Sale of Securities.

Section 2.1 Authorization. The Purchaser has duly authorized, and taken all such corporate and other action as is necessary for, the issuance, sale, and delivery, pursuant to the terms of this Agreement, of (i) 3,496,090 shares of its Series A Convertible Preferred Stock, par value \$.01 per share (the "Series A Shares"), (ii) 1,851,851 shares of its Series B Convertible Preferred Stock, par value \$.01 per share (the "Series B Shares"), (iii) 562,311 shares of Common Stock, \$.01 par value per share ("Common Stock" and together with the Series A Shares and the Series B Shares, the "Shares"), and (iv) Warrants (the "Warrants") to purchase 324,074 Common Stock. The Shares and the Warrants are sometimes referred to herein as the "Securities". The shares of Common Stock issuable upon conversion of any of the Shares and upon exercise of the Warrants are sometimes referred to herein as the "Conversion Shares."

Section 2.2 Sale of Securities. Subject to the terms and conditions of this Agreement, at the Closing the Purchaser will sell and issue to the Purchaser, and the Purchaser will purchase, the Securities on Schedule 1 hereto in consideration of the transfer and sale by

of the Transferred Assets and the assumption by the Purchaser of the Assumed

Section 3. The Closing.

(a) The closing of the sale and purchase of the Securities to be issued pursuant to the Agreement and the sale of the Transferred Assets (the "Closing") shall take place at the office of Sullivan & Worcester LLP, One Post Office Square, Boston, Massachusetts, 02109 at 10 a.m. on September 17, 1997, but in no event later than September 30, 1997, unless the parties shall otherwise agree in writing. The date of the Closing is hereinafter referred to as the "Closing Date."

(b) At the Closing, the Company shall deliver to the Purchaser a stock certificate or certificates and/or warrant certificate or certificates for the Securities registered in the name of the Purchaser.

(c) At the Closing the Seller will deliver to the Purchaser bills of sale, deeds, mortgages, assignments and other instruments effective to vest in the Purchaser all of the Seller's right, title and interest in, to and under the Transferred Assets and the Seller will take such steps as may be necessary to put the Purchaser in actual possession and operating control of the Transferred Assets. In addition, the Purchaser will execute an Assumption Agreement relating to the Assumed Liabilities. From time to time after the Closing, the Seller, at no additional cost to the Purchaser, will execute and deliver such other instruments and take such other actions as the Purchaser may reasonably request in order to more effectively transfer to the Purchaser, and to place the Purchaser in possession or control of, the Transferred Assets.

Section 4. Preemptive Rights.

(a) The Company hereby grants to the partners of the Seller who will receive the Securities on the date hereof in connection with the liquidation of the Seller, as the successors and assigns of the Seller ("Partners"), a right of first refusal to purchase, subject to proration in the event of oversubscription, each Partner's pro rata share (as defined below) or more of any New Securities (as defined below) which the Company may, from time to time, propose to sell and issue, subject to the terms and conditions set forth below. A Partner's "pro rata share", for purposes of any necessary proration under this Article 7, shall mean that portion of the New Securities as the number of shares of capital stock of the Company then held by the Partner bears to the total number of shares of capital stock of the Company then outstanding, assuming the conversion of all outstanding convertible securities of the Company and the exercise of all outstanding options and warrants of the Company.

(b) "New Securities" shall mean any capital stock of the Company, whether now authorized or not, and rights, options or warrants to purchase capital stock, and securities of any type whatsoever which are, or may become, convertible into capital stock; provided, however, that the term "New Securities" shall not include (i) the Common Stock and Preferred Stock outstanding as of the date hereof; (ii) the shares of Common Stock issued or issuable upon conversion of the Preferred Stock or upon exercise of the Company's warrants outstanding on the date hereof; (iii) securities offered to the public pursuant to a registration statement under the Securities Act; (iv) securities issued for the acquisition of another corporation by the Company by merger, purchase of substantially all the assets of such corporation or other

ization resulting in the ownership by the Company of not less than fifty-one percent of the voting power of such corporation; (v) shares of Common Stock representing up to 10% of the outstanding shares of capital stock of the Company on a fully-diluted basis as of December 15, 1997 (excluding for this purpose options which the Company has agreed on the date hereof to grant to two stockholders of the Company on December 15, 1997), or options to purchase such shares, which are outstanding on or may be issued or granted after the date hereof to employees, sales representatives or consultants of the Company pursuant to a stock option plan, employee stock purchase plan, restricted stock plan or agreement or other employee stock plan or agreement approved by the Board of Directors of the Company; or (vi) securities issued as a result of any stock-split, stock dividend or reclassification of Common Stock or Preferred Stock, distributable on a pro-rata basis to all holders of Common Stock and/or Preferred Stock, in the case may be.

(c) If the Company intends to issue New Securities, it shall give the Partners written notice of such intention, describing the type of New Securities to be issued, the price thereof and the general terms upon which the Company proposes to effect such issuance. The Partners shall have twenty (20) days from the receipt or refusal of any such notice to agree to purchase, subject to proration in the event of oversubscription, its pro rata share or a greater portion of such New Securities for the price and upon the general terms and conditions specified in the Company's notice by giving written notice to the Company stating the quantity of New Securities to be so purchased. In the event that the Partners subscribe to purchase an aggregate amount which is less than all of the New Securities being offered, the Partners, together with any other persons to whom the Company has granted preemptive rights, shall have a right of overallotment such that it may then agree to purchase, subject to proration in the event of oversubscription, all or any part of New Securities so remaining ("Remaining New Securities"). Such right of overallotment shall be exercised within five (5) days from the date that the Company provides written notice to the Partners of the amount of Remaining New Securities.

(d) In the event any Partners fail to exercise their foregoing rights of first refusal with respect to any New Securities within such 20-day period (or the additional 5-day period provided for overallotment), the Company may within 90 days thereafter sell any or all of such New Securities not agreed to be purchased by the Partners, at a price and upon general terms no more favorable to the purchasers thereof than specified in the notice given to the Purchasers pursuant to paragraph (c) above. In the event the Company has not sold such New Securities within such 90-day period, the Company shall not thereafter issue or sell any New Securities, without first offering such New Securities to the Partners in the manner provided above.

(e) The provisions of this Article 4 shall terminate upon the consummation of an Approved IPO.

Section 5. Definitions.

When used in this Agreement, the following terms shall have the meanings indicated.

"Approved IPO" shall mean a public offering by the Company pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offering and sale of Common Stock by the Company for the account of the Company in which (i) the aggregate gross proceeds (before deduction of any underwriting discount, commission or

received by the Company equal or exceed \$15,000,000, and (ii) the price per share of Common Stock equals or exceeds 200% of the Conversion Price in effect for the Series B Shares immediately prior to the closing of the sale of such Common Stock by the Company.

“Closing” shall have the meaning specified in Section 2.

“Closing Date” shall have the meaning specified in Section 2.

“Common Stock” shall have the meaning set forth in Section 1.2.

“Conversion Shares” shall have the meaning set forth in Section 1.2.

“Preferred Stock” shall mean, collectively, the Series A Shares and the Series B Shares.

“Purchaser” means collectively the persons set forth in Schedule 1 attached hereto.

“Securities” shall have the meaning specified in Section 1.2.

“Series A Shares” shall have the meaning specified in Section 1.1.

“Series B Shares” shall have the meaning specified in Section 1.1.

“Shares” shall have the meaning specified in Section 1.1.

“Warrants” shall have the meaning specified in Section 1.2.

Section 6. Notices. All notices, requests, consents, and other communications under this Agreement shall be in writing and shall be delivered in person with receipt acknowledged or mailed by first class certified or registered mail, return receipt requested, postage prepaid, or by reputable overnight mail or courier, with receipt confirmed, or by telecopy and confirmed by telecopy answerback, addressed as follows:

If to the Seller or Purchaser: NetSuite Development Corp.
321 Commonwealth Road
Suite 300
Wayland, MA 01778
Telephone: 508-647-3100
Telecopy: 508-647-3112
Attention: President

With a copy to: Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Telephone: 617-338-2871
Telecopy: 212-338-2880
Attention: Karen L. Linsley, Esq.

If to any Purchaser: To it at its address shown on Schedule 1,

such other address or addresses as may have been furnished in writing by any party to the
in accordance with the provisions of this Section 8.

Notices and other communications provided in accordance with this Section 10 shall be
delivered on (A) the date on which personally delivered, with receipt acknowledged, (B)
date on which telecopied and confirmed by telecopy answerback, (C) the next business day
delivered by overnight or express mail, courier or delivery service, or (D) three business days
if the same shall have been deposited in the United States mail, as the case may be. Failure
to deliver or delay in delivering copies of any notice, demand, request, consent, approval, declaration or
other communication to the persons designated above to receive copies shall in no way adversely
affect the effectiveness of such notice, demand, request, consent, approval, declaration or other
communication.

Section 7. Entire Agreement. This Agreement embodies the entire agreement and
understanding among the parties hereto with respect to the subject matter hereof and supersedes
all prior agreements and understandings relating to such subject matter.

Section 8. Amendments and Waivers. This Agreement may only be amended with the
consent of the Company and the holders of a majority in interest of the holders of each of the
Series A Shares and the Series B Shares. Except as otherwise expressly set forth in this
Agreement, the observance of any term of this Agreement may be waived (either generally or
in a particular instance and either retroactively or prospectively), only with the written consent
of the Company and Purchasers. No waivers of or exceptions to any term, condition or
provision of this Agreement, in any one or more instances, shall be deemed to be, or construed
as, a further or continuing waiver of any such term, condition or provision.

Section 9. Counterparts. This Agreement may be executed in one or more counterparts,
each of which shall be deemed to be an original, but all of which shall be one and the same
document.

Section 10. Section Headings. The section headings are for the convenience of the
parties and in no way alter, modify, amend, limit, or restrict the contractual obligations of the
parties.

Section 11. Severability. The invalidity or unenforceability of any provision of this
Agreement shall not affect the validity or enforceability of any other provision of this
Agreement.

Section 12. Governing Law. This Agreement shall be governed by and construed in
accordance with the law (other than the law governing conflict of law questions) of the
Commonwealth of Massachusetts.

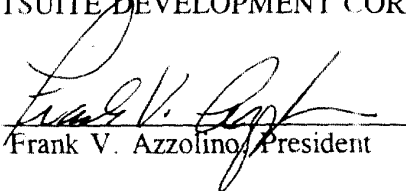
Section 13. Successors and Assigns. This Agreement shall be binding upon and shall
inure to the benefit of the parties hereto and their respective successors and assigns.

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

THE PURCHASER:

NETSUITE DEVELOPMENT CORP.

By:

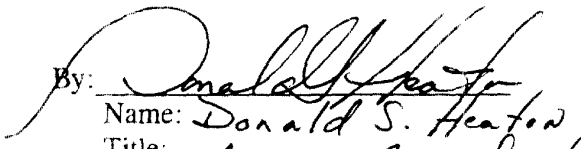

Frank V. Azzolino, President

SELLER:

NETSUITE DEVELOPMENT
LIMITED PARTNERSHIP

By: Capital Software Development, Inc.
General Partner

By:


Name: Donald S. Hearford
Title: Vice President

NETSUITE DEVELOPMENT CORP

SCHEDULE I

Schedule of Purchasers

<u>Name of Purchaser</u>	<u>Number and Class of Shares</u>
NetSuite Development Limited Partnership	562,311 Common Shares 3,496,090 Series A Shares 1,851,851 Series B Shares 324,074 Common Stock Warrants

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RECORDED: 08/10/1998

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