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MERGER OR SHARE EXCHANGE

RG ACQUISITION CORP.

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ARTICLES OF MERGER
Merger Sheet

MERGING:

ACTIVEUSA.COM, INC., a Florida corporation, document number
P98000063429

INTO

RG ACQUISITION CORP. a Delaware corporation not qualified in Florida

File date: December 17 1999

Corporate Specialist: Karen Gibson

FAX AUDIT No.H99000032175 4

ARTICLES OF MERGER
of
ACTIVEUSA.COM, INC.,
a Florida corporation
into
RG ACQUISITION CORP.,
a Delaware corporation

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to the provisions of Section 607.1107 of the Florida Business Corporation Act (the "Act"), ActiveUSA.com, Inc., a Florida corporation, and RG Acquisition Corporation, a Delaware corporation, do hereby adopt the following Articles of Merger:

- FIRST: The names of the corporations which are parties to the merger contemplated by these Articles of Merger (the "Merger") are ActiveUSA.com, Inc., a Florida corporation ("ActiveUSA"), and RG Acquisition Corp., a Delaware corporation ("RG"). RG is the surviving corporation in the Merger.
- SECOND: A copy of the Merger Agreement and Plan of Reorganization is attached hereto and made a part hereof by reference as if fully set forth herein.
- THIRD: The Merger Agreement and Plan of Reorganization was adopted by the shareholders of ActiveUSA on December 1, 1999, by written consent.
- FOURTH: The Merger Agreement and Plan of Reorganization was adopted by the sole stockholder of RG on November 17, 1999, by written consent in lieu of holding a special meeting.
- FIFTH: The Merger shall become effective upon the filing of these Articles of Merger with the Department of State of the State of Florida, in accordance with the provisions of Sections 607.1105 and 607.1106 of the Act.

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SIXTH: The address of the surviving corporation's principal office under the laws of Delaware is: 9 East Lockerman Street, Dover, Delaware 19901.

SEVENTH: The surviving corporation hereby appoints the Florida Secretary of State as its agent for service of process in a proceeding to enforce any obligation or the rights of any dissenting shareholders of ActiveUSA.

EIGHTH: The surviving corporation agrees to promptly pay to any dissenting shareholders of ActiveUSA, the amount, if any, to which they are entitled under Section 607.1302 of the Act.

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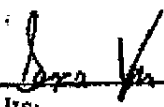
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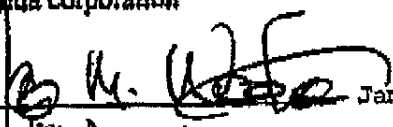
IN WITNESS WHEREOF, the parties have caused these Articles of Merger to be executed

as of this 16 th day of December, 1999

RG ACQUISITION CORP.,
a Delaware corporation

By:  Scott Kyle
Its: CFO

ACTIVEUSA.COM, INC.,
a Florida corporation

By:  James M. Woodman
Its: President

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**MERGER AGREEMENT AND
PLAN OF REORGANIZATION**

BY AND AMONG

RACEGATE.COM, INC.,

RG-ACQUISITION CORP.

AND

ACTIVEUSA.COM, INC.

Dated as of November 17, 1999

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LIST OF EXHIBITS

Exhibit A	Merger Certificate
Exhibit B	Restated Certificate of Incorporation
Exhibit C	Second Amended and Restated Investors Rights Agreement
Exhibit D	Second Amended and Restated Voting Agreement
Exhibit E	Second Amended and Restated Stock Restriction Agreement
Exhibit F	Stockholder Certificate
Exhibit G	Non-Competition Agreement

MERGER AGREEMENT AND PLAN OF REORGANIZATION

This MERGER AGREEMENT AND PLAN OF REORGANIZATION is made and entered into as of November 17, 1999, by and among RaceGate.com, Inc., a Delaware corporation ("RaceGate"), RG-Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of RaceGate ("Merger Sub"), and ActiveUSA.com, Inc., a Florida corporation ("ActiveUSA"). Capitalized terms used and not otherwise defined herein have the meanings set forth in Article 10.

RECITALS

A. The respective Boards of Directors of each of RaceGate, Merger Sub and ActiveUSA believe it is in the best interests of RaceGate, Merger Sub and ActiveUSA and their respective stockholders that ActiveUSA and Merger Sub combine into a single company through the statutory merger of ActiveUSA with and into Merger Sub (the "Merger").

B. The Boards of Directors of each of RaceGate, Merger Sub and ActiveUSA have approved the Merger and this Agreement and the transactions contemplated hereby.

C. Pursuant to the Merger, among other things, and subject to the terms and conditions of this Agreement all of the issued and outstanding shares of capital stock of ActiveUSA ("ActiveUSA Capital Stock") shall be converted into the right to receive shares of the capital stock of RaceGate ("RaceGate Capital Stock") and all options and warrants for the purchase of and all rights to receive ActiveUSA Common Stock shall be assumed by RaceGate, in each case in the manner described herein.

D. RaceGate, Merger Sub and ActiveUSA intend that the Merger shall constitute a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, and in furtherance thereof intend that this Agreement shall be a "Plan of Reorganization" within the meaning of Sections 354(a) and 361(a) of the Internal Revenue Code.

E. ActiveUSA, RaceGate and Merger Sub desire to make certain representations, warranties, covenants and agreements in connection with the Merger.

NOW, THEREFORE, in consideration of the covenants, promises, representations and warranties set forth herein, and for other good and valuable consideration, intending to be legally bound hereby the parties agree as follows:

ARTICLE I THE MERGER

1.1 The Merger. At the Effective Time and subject to and upon the terms and conditions of this Agreement and the applicable provisions of the Delaware Code and the Florida Code, ActiveUSA shall be merged with and into Merger Sub, the separate corporate existence of ActiveUSA shall cease, and Merger Sub shall continue as the surviving corporation and wholly-

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owned subsidiary of RaceGate. Merger Sub is sometimes referred to herein as the "Surviving Corporation."

1.2 Effective Time. Unless this Agreement is earlier terminated pursuant to Section 8.1, the closing of the Merger (the "Closing") will take place as promptly as practicable, but no later than five (5) business days following satisfaction or waiver of the conditions set forth in Article 6, at the offices of Brobeck, Phleger & Harrison LLP, 38 Technology Drive, Irvine, California, unless another place or time is agreed to by RaceGate and ActiveUSA. The date upon which the Closing actually occurs is herein referred to as the "Closing Date." On the Closing Date, the parties hereto shall cause the Merger to be consummated by filing a Certificate of Merger (or like instrument), in substantially the form to be attached hereto as Exhibit A (the "Merger Certificate"), with each of the Secretary of State of the State of Delaware and the Secretary of State of the State of Florida, in accordance with the relevant provisions of applicable law (the time at which acceptance by both the Secretary of State of the State of Delaware and the Secretary of State of the State of Florida of such filing has been received by the parties, or such later time agreed to by the parties and set forth in this Agreement, being referred to herein as the "Effective Time").

1.3 Effect of the Merger on Constituent Corporations. At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the Delaware Code and the Florida Code. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of Merger Sub and ActiveUSA shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of Merger Sub and ActiveUSA shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

1.4 Certificate of Incorporation and By-Laws of Surviving Corporation.

(a) At the Effective Time, the certificate of incorporation of Merger Sub, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided by law and such certificate of incorporation and by-laws of the Surviving Corporation.

(b) The by-laws of Merger Sub, as in effect immediately prior to the Effective Time, shall be the by-laws of the Surviving Corporation until thereafter amended as provided by such by-laws, the certificate of incorporation and applicable law.

1.5 Directors and Officers of Surviving Corporation. The directors of Merger Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation, each to hold office in accordance with the certificate of incorporation and by-laws of the Surviving Corporation. The officers of Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Corporation, each to hold office in accordance with the by-laws of the Surviving Corporation.

1.6 Maximum Number of Shares of RaceGate Capital Stock to be Issued: Effect on Outstanding Securities of ActiveUSA. The maximum number of shares of RaceGate

Capital Stock to be issued in exchange for the acquisition by RaceGate of all outstanding shares of ActiveUSA Capital Stock shall be the Aggregate Share Number. On the terms and subject to the conditions of this Agreement, as of the Effective Time, by virtue of the Merger and without any action on the part of RaceGate or Merger Sub, ActiveUSA or the holder of any shares of ActiveUSA Capital Stock the following shall occur:

(a) Conversion of ActiveUSA Capital Stock. At the Effective Time, each share of ActiveUSA Capital Stock issued and outstanding immediately prior to the Effective Time (other than any shares of ActiveUSA Capital Stock to be canceled pursuant to Section 1.6(b) and any Dissenting Shares (as provided in Section 1.7)) will be canceled and extinguished, and in the case of ActiveUSA Common Stock, be converted automatically into the right to receive that number of shares of RaceGate Common Stock equal to the Common Stock Exchange Ratio, and in the case of ActiveUSA Preferred Stock, be converted automatically into the right to receive that number of shares of RaceGate Preferred Stock equal to the Preferred Stock Exchange Ratio, as the case may be, rounded down (subject to Section 1.6(d)) to the nearest whole share of RaceGate Common Stock or RaceGate Preferred Stock, as the case may be. For purposes of this Agreement:

(i) "Aggregate Common Number" means the aggregate number of shares of ActiveUSA Common Stock outstanding immediately prior to the Effective Time; provided, however, that such number shall not include any Dissenting Shares, and any shares subject to cancellation pursuant to Section 1.6(b).

(ii) "Aggregate Preferred Number" means the aggregate number of shares of ActiveUSA Preferred Stock outstanding immediately prior to the Effective Time; provided, however, that such number shall not include any Dissenting Shares, and any shares subject to cancellation pursuant to Section 1.6(b).

(iii) "Aggregate Common Share Number" means Seven Million Six Hundred Five Thousand Four Hundred Forty-Two (7,605,442) shares of RaceGate Common Stock and "Aggregate Preferred Share Number" means Two Million Seven Hundred Twenty-Nine Thousand Twelve (2,729,012) shares of RaceGate Preferred Stock (as appropriately adjusted to reflect the effect of any stock split, stock dividend, stock combination, reorganization, reclassification or similar change occurring after the date of this Agreement and prior to the Effective Time).

(iv) "Aggregate Share Number" equals the sum of the Aggregate Common Share Number and the Aggregate Preferred Share Number.

(v) "Common Stock Exchange Ratio" means the quotient obtained by dividing (x) the Aggregate Common Share Number by (y) the Aggregate Common Number.

(vi) "Preferred Stock Exchange Ratio" means the quotient obtained by dividing (x) the Aggregate Preferred Share Number by (y) the Aggregate Preferred Number.

(b) Cancellation of RaceGate-Owned and ActiveUSA-Owned Stock. Each share of ActiveUSA Capital Stock owned by RaceGate or ActiveUSA or any Subsidiary of

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RaceGate or ActiveUSA immediately prior to the Effective Time shall be automatically canceled and extinguished without any conversion thereof and without any further action on the part of RaceGate, Merger Sub or ActiveUSA.

(c) Adjustments to Common Stock and Preferred Stock Exchange Ratio. The Common Stock Exchange Ratio and Preferred Stock Exchange Ratio shall be equitably adjusted to reflect fully the effect of any stock split, reverse split, stock combination, stock dividend (including any dividend or distribution of securities convertible into RaceGate Capital Stock or ActiveUSA Capital Stock), reorganization, reclassification, recapitalization or other like change with respect to RaceGate Capital Stock or ActiveUSA Capital Stock occurring after the date hereof and prior to the Effective Time.

(d) Fractional Shares. No fraction of a share of RaceGate Capital Stock will be issued in the Merger, but in lieu thereof, each holder of shares of ActiveUSA Common Stock or ActiveUSA Preferred Stock who would otherwise be entitled to a fraction of a share of RaceGate Common Stock or RaceGate Preferred Stock, as the case may be (after aggregating all fractional shares of RaceGate Capital Stock to be received by such holder), shall be entitled to receive from RaceGate an amount of cash (rounded to the nearest whole cent) equal to the product of (a) such fraction, multiplied by (b) in the case of ActiveUSA Common Stock, the Common Stock Closing Price and in the case of ActiveUSA Preferred Stock the Preferred Stock Closing Price.

(e) Capital Stock of Merger Sub. Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation. From and after the Effective Time, each share certificate of Merger Sub theretofore evidencing ownership of any such shares shall evidence ownership of such shares of capital stock of the Surviving Corporation.

(f) Stock Options and Warrants. At the Effective Time, all options and warrants to purchase and all rights to receive ActiveUSA Common Stock then outstanding shall be assumed by RaceGate in accordance with Sections 1.11 and 5.9 hereof.

1.7 Dissenting Shares.

(a) Notwithstanding any provision of this Agreement to the contrary, any shares of ActiveUSA Capital Stock held by a holder who has demanded and perfected dissenters' rights for such shares in accordance with the Florida Code and who, as of the Effective Time, has not effectively withdrawn or lost such dissenters' rights ("Dissenting Shares") shall not be converted into or represent a right to receive RaceGate Capital Stock pursuant to Section 1.6, but the holder thereof shall only be entitled to such rights as are granted by the Florida Code.

(b) Notwithstanding the provisions of Section 1.7(a) above, if any holder of shares of ActiveUSA Capital Stock who demands purchase of such shares under the Florida Code shall effectively withdraw or lose (through failure to perfect or otherwise) such holder's dissenters' rights, then, as of the later of (i) the Effective Time or (ii) the occurrence of such

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event, such holder's shares shall automatically be converted into and represent only the right to receive RaceGate Capital Stock as provided in Section 1.6, without interest thereon, upon surrender to ActiveUSA of the certificate representing such shares in accordance with Section 1.8 of this Agreement.

(c) ActiveUSA shall give RaceGate (i) prompt notice of its receipt of any written demands for purchase of any shares of ActiveUSA Capital Stock, withdrawals of such demands, and any other instruments relating to the Merger served pursuant to the Florida Code and received by ActiveUSA and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for purchase of any shares of ActiveUSA Capital Stock under the Florida Code. ActiveUSA shall not, except with the prior written consent of RaceGate or as may be required under applicable law, voluntarily make any payment with respect to any demands for purchase of ActiveUSA Capital Stock or offer to settle or settle any such demands.

1.8 Exchange Procedures.

(a) Exchange Procedures. At or as soon as practicable after the Effective Time, each ActiveUSA stockholder shall tender to RaceGate any certificate ("Certificate") representing the capital stock of ActiveUSA held by such stockholder, accompanied by duly executed letters of transmittal or stock powers, as required by the RaceGate. As soon as practicable after the surrender of such Certificates, RaceGate shall deliver to the stockholder surrendering such Certificate a certificate representing the number of shares of RaceGate Common Stock and/or RaceGate Preferred Stock, as the case may be, to which such stockholder is entitled pursuant to Section 1.6 and a check payable to such stockholder representing the cash to which such stockholder is to receive in lieu of fractional shares and any Certificate so surrendered shall be cancelled. Until surrendered, each outstanding Certificate that, prior to the Effective Time, represented shares of ActiveUSA Capital Stock will be deemed from and after the Effective Time, for all corporate purposes, other than the payment of dividends, to evidence the ownership of the number of full shares of RaceGate Capital Stock into which such shares of ActiveUSA Capital Stock shall have been so converted and cash in lieu of fractional shares.

(b) Distributions With Respect to Unexchanged Shares of ActiveUSA Capital Stock. No dividends or other distributions with respect to RaceGate Capital Stock declared or made after the Effective Time and with a record date after the Effective Time will be paid to the holder of any unsurrendered Certificate with respect to the shares of RaceGate Capital Stock represented thereby until the holder of record of such Certificate shall surrender such Certificate. Subject to applicable law, following surrender of any such Certificate, there shall be paid to the record holder of the certificates representing whole shares of RaceGate Capital Stock issued in exchange therefor, without interest, at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time theretofore payable (but for the provisions of this Section 1.8(b)) with respect to such whole shares of RaceGate Capital Stock.

(c) Transfers of Ownership. If any certificate for shares of RaceGate Capital Stock is to be issued pursuant to the Merger in a name other than that in which the Certificate surrendered in exchange therefor is registered, it will be a condition of the issuance thereof that the Certificate so surrendered will be properly endorsed and otherwise in proper form for transfer

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and that the person requesting such exchange will have paid to RaceGate or any agent designated by it any transfer or other taxes required by reason of the issuance of a certificate for shares of RaceGate Capital Stock in any name other than that of the registered holder of the Certificate surrendered, or established to the satisfaction of RaceGate or any agent designated by it that such tax has been paid or is not payable.

1.9 No Further Ownership Rights in ActiveUSA Capital Stock. All shares of RaceGate Capital Stock issued upon the surrender for exchange of shares of ActiveUSA Capital Stock in accordance with the terms hereof (including any cash in lieu of fractional shares) shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of ActiveUSA Capital Stock, and there shall be no further registration of transfers on the records of ActiveUSA of shares of ActiveUSA Capital Stock which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Article 1.

1.10 Lost, Stolen or Destroyed Certificates. In the event any Certificates shall have been lost, stolen or destroyed, RaceGate shall issue certificates representing such shares of RaceGate Capital Stock and cash in lieu of fractional shares in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the holder thereof; *provided, however*, that RaceGate may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Certificates to provide an indemnity or deliver a bond in such sum as it may reasonably direct as indemnity against any claim that may be made against RaceGate or the Surviving Corporation with respect to the Certificates alleged to have been lost, stolen or destroyed.

1.11 Options and Warrants to Purchase and Rights to Receive ActiveUSA Common Stock. At the Effective Time, each option granted by ActiveUSA to purchase shares of ActiveUSA Common Stock (each, an "ActiveUSA Stock Option") and each warrant to purchase and each right to receive shares of ActiveUSA Common Stock (each, an "ActiveUSA Warrant"), in each case which is outstanding and unexercised immediately prior to the Effective Time shall be assumed by RaceGate and converted into an option or warrant, or right to receive, as the case may be, to purchase or acquire shares of RaceGate Common Stock in such number and at such exercise price as provided below and otherwise having the same terms and conditions as in effect immediately prior to the Effective Time (except to the extent that such terms, conditions and restrictions may be altered in accordance with their terms as a result of the Merger):

(a) the number of shares of RaceGate Common Stock to be subject to the new option, warrant, or right to receive, as the case may be, shall be equal to the product of (i) the number of shares of ActiveUSA Common Stock subject to the original option, warrant, or right to receive, as the case may be, and (ii) the Common Stock Exchange Ratio;

(b) the exercise price per share of RaceGate Common Stock under the new option or warrant, as the case may be, shall be equal to the quotient of (i) the exercise price per share of ActiveUSA Common Stock under the original option or warrant, as the case may be, divided by (ii) the Common Stock Exchange Ratio; and

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(c) upon each exercise of options or warrants or receipt of shares by a holder thereof, the aggregate number of shares of RaceGate Common Stock deliverable upon such exercise shall be rounded down, if necessary, to the nearest whole share and the aggregate exercise price shall be rounded up, if necessary, to the nearest cent.

The adjustments provided herein with respect to any options which are "incentive stock options" (as defined in Section 422 of the Internal Revenue Code) shall be effected in a manner consistent with the requirements of Section 424(a) of the Internal Revenue Code.

1.12 No Liability. Notwithstanding anything to the contrary in this Article 1, none of RaceGate, the Surviving Corporation or any party hereto shall be liable to a holder of shares of RaceGate Capital Stock or ActiveUSA Capital Stock for any amount properly paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

1.13 Exemption from Registration. The shares of RaceGate Capital Stock to be issued pursuant to Section 1.6 and the assumption of the ActiveUSA Options and the ActiveUSA Warrants in connection with the Merger will be issued and assumed in a transaction exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in accordance with exemptions including, but not limited to, Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder, and the qualification requirements of any state "blue sky" laws.

1.14 Restricted Securities. The shares of RaceGate Capital Stock issued in connection with the Merger will be "restricted securities" under the Securities Act and Rule 144 promulgated thereunder and may only be sold or otherwise transferred pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act. It is understood that the certificates evidencing the shares of RaceGate Capital Stock issued in connection with the Merger will bear, one or all of the following legends:

(a) "These securities have not been registered under the Securities Act of 1933. They may not be sold, offered for sale, pledged or hypothecated in the absence of a registration statement in effect with respect to the securities under such Act or an opinion of counsel reasonably satisfactory to the Company that such registration is not required or unless sold pursuant to Rule 144 of such Act."

(b) Any legend required by applicable state law.

1.15 Further Action. If, at any time after the Effective Time, any such further action is necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation with full right, title and possession to all assets, property, rights, privileges, powers and franchises of ActiveUSA, the officers and directors of the Surviving Corporation are fully authorized to take, and will take, all such lawful and necessary action.

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ARTICLE 2 REPRESENTATIONS AND WARRANTIES OF ACTIVEUSA

ActiveUSA hereby represents and warrants to each of RaceGate and Merger Sub, subject to such exceptions as are specifically disclosed with respect to specific numbered and lettered sections and subsections of this Article 2 in the disclosure schedule and schedule of exceptions (the "ActiveUSA Disclosure Schedule") delivered herewith, dated as of the date hereof, and numbered with corresponding numbered and lettered sections and subsections, as follows:

2.1 Organization; Good Standing; Qualification. ActiveUSA is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida, has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted and to execute and deliver this Agreement. ActiveUSA is not qualified to transact business as a foreign corporation in any jurisdiction and such qualification is not now required nor required to conduct its business as planned to be conducted.

2.2 Authorization. All corporate action on the part of ActiveUSA, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement and any other agreements attached as exhibits hereto (the "Ancillary Agreements") to which it is a party and the performance of all obligations of ActiveUSA hereunder and thereunder and the consummation of all the transactions contemplated hereby has been taken or will be taken prior to the Closing, and this Agreement and the Ancillary Agreements to which ActiveUSA is a party, constitute valid and legally binding obligations of ActiveUSA, enforceable in accordance with their respective terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (c) to the extent the indemnification provisions contained herein may be limited by applicable federal or state securities laws.

2.3 Governmental Consents. No consent, approval, qualification, order or authorization of, or filing with, any local, state or federal governmental authority is required on the part of ActiveUSA in connection with ActiveUSA's valid execution, delivery or performance of this Agreement, except for the filing of the Merger Certificate and except as would not constitute a Material Adverse Effect.

2.4 Capitalization and Voting Rights. The authorized capital of ActiveUSA consists, or will consist prior to the Closing, of:

(a) Preferred Stock. 10,000,000 shares of ActiveUSA Preferred Stock, \$.01 par value, of which 2,742,587 have been designated Series A Preferred Stock, of which 2,742,587 are issued and outstanding and (ii) 1,984,125 have been designated Series B Preferred Stock, all of which have been cancelled and none of which are outstanding. The rights, privileges and preferences of the Series A Preferred Stock are as stated in the Certificate of Designations of ActiveUSA's Articles of Incorporation.

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(b) Common Stock. 30,000,000 shares of ActiveUSA Common Stock, \$.01 par value, 7,643,273 of which are issued and outstanding.

Except for (i) the conversion privileges of the Preferred Stock, (ii) currently outstanding options or warrants to purchase and rights to acquire 1,544,459 shares of ActiveUSA Common Stock granted to employees, consultants and advisors, (iii) as provided in the Investors' Rights Agreement, and (iv) as provided in Section 2.4 of the ActiveUSA Disclosure Schedule, there are not outstanding any options, warrants, rights (including conversion or preemptive rights and rights of first refusal), or agreements for the purchase or acquisition from ActiveUSA of any shares of its capital stock. ActiveUSA is not a party or subject to any agreement or understanding, and there is no agreement or understanding between any persons that affects or relates to the voting or giving of written consents with respect to any security or the voting by a director of ActiveUSA.

2.5 Subsidiaries. ActiveUSA does not own or control, directly or indirectly, any interest in any other corporation, association or other business entity. ActiveUSA is not a participant in any joint venture, partnership or similar arrangement.

2.6 Books and Records; Organizational Documents. The minute books and stock record books and other similar records of ActiveUSA have been provided or made available to RaceGate or its counsel prior to the execution of this Agreement, are complete and correct in all material respects and have been maintained in accordance with sound business practices. Such minute books contain a true and complete record of all actions taken at all meetings and by all written consents in lieu of meetings of the directors, stockholders and committees of the Board of Directors of ActiveUSA from the date of ActiveUSA's incorporation through the date hereof. ActiveUSA has prior to the execution of this Agreement delivered to RaceGate true and complete copies of its certificate of incorporation and by-laws, both as amended through the date hereof. ActiveUSA is not in violation of any provisions of its certificate of incorporation or by-laws as so amended. Schedule 2.6 hereto lists the names and addresses of all banks and other financial institutions in which ActiveUSA has an account, deposit, or safe deposit box with the number and a description of the account and the names of all persons authorized to draw on such accounts or deposits or to have access to such boxes.

2.7 ActiveUSA Financial Statements. Section 2.7 of the ActiveUSA Disclosure Schedule sets forth ActiveUSA Financial Statements. The ActiveUSA Financial Statements delivered to RaceGate are correct and complete in all material respects and have been prepared in accordance with GAAP. The accounting basis used by ActiveUSA has been applied on a consistent basis throughout the periods indicated and consistent with each other (except as may be indicated in the notes thereto). The ActiveUSA Financial Statements present fairly and accurately in all material respects the financial condition and operating results of ActiveUSA as of the dates and during the periods indicated therein, subject to adjustments which are not material in amount or significance. Since September 30, 1999, there has been no change in any accounting policies, principles, methods or practices, including any change with respect to reserves (whether for bad debts, contingent liabilities or otherwise), of ActiveUSA.

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2.8 Absence of Undisclosed Liabilities. Except as provided in Section 2.8 of the ActiveUSA Disclosure Schedule, ActiveUSA does not have any liabilities or obligations (whether accrued, absolute, contingent, unliquidated or otherwise, and whether due or to become due), including liabilities that would be required to be disclosed on a balance sheet prepared in accordance with GAAP, other than liabilities or obligations arising since the formation of ActiveUSA which, in the aggregate, are in an amount less than \$10,000 and which were incurred in the ordinary course of business consistent (in amount and kind) with past practice.

2.9 Changes. Since the formation of ActiveUSA, there has not been any event or condition of any type that has materially and adversely affected the business, properties, prospects or financial condition of ActiveUSA.

2.10 Contracts and Other Commitments. ActiveUSA does not have any contract, agreement, lease, commitment or proposed transaction, written or oral, absolute or contingent, other than (a) contracts for the purchase of supplies and services that were entered into in the ordinary course of business which do not involve more than \$10,000 and do not extend for more than one (1) year beyond the date hereof, (b) sales contracts entered into in the ordinary course of business, and (c) contracts terminable at will by ActiveUSA on no more than 30 days notice without cost or liability to ActiveUSA and that do not involve any employment or consulting arrangement and are not material to the conduct of ActiveUSA's business. For the purpose of this paragraph, employment and consulting contracts and contracts with labor unions, and license agreements and any other agreements relating to the acquisition or disposition of ActiveUSA's technology, shall not be considered to be contracts entered into in the ordinary course of business. The contracts and agreements which are required to be identified in Section 2.10 of the ActiveUSA Disclosure Schedule are hereinafter referred to as the "Contracts." Except as set forth in Section 2.10 of the ActiveUSA Disclosure Schedule:

(a) Each of the Contracts is a valid, binding and enforceable agreement of ActiveUSA and, to the knowledge of ActiveUSA, the other parties thereto, and will continue to be valid, binding and enforceable after the Closing without the need to obtain the consent of any third party;

(b) ActiveUSA has no reason to believe that the Merger Sub will not be able to fulfill all of its obligations under the Contracts which remain to be performed after the date hereof, and ActiveUSA has not been notified by any governmental or other party that such parties intend to cancel, terminate or modify any of such Contracts or the basis upon which ActiveUSA is paid thereunder, and ActiveUSA does not know of any valid grounds for any such cancellation, termination or modification;

(c) There has not occurred any default (or event which upon the provision of notice or lapse of time or both would become such a default) under any of the Contracts on the part of ActiveUSA; and

(d) The Contracts are all of the agreements, contracts and commitments that are material to ActiveUSA and necessary for the operation of its business.

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2.11 Related-Party Transactions. No stockholder, employee, officer or director of ActiveUSA or member of his or her immediate family is indebted to ActiveUSA, nor is ActiveUSA indebted (or committed to make loans or extend or guarantee credit) to any of them. To the best of ActiveUSA's knowledge, none of such persons has any direct or indirect ownership in any firm or corporation with which ActiveUSA is affiliated or with which ActiveUSA has a business relationship, or any firm or corporation that competes with ActiveUSA, except that employees, officers or directors of ActiveUSA and members of their immediate families may own up to 1% of the stock in publicly traded companies that may compete with ActiveUSA. To the best of ActiveUSA's knowledge, no officer or director or any member of their immediate families is, directly or indirectly, interested in any material contract with ActiveUSA.

2.12 Registration Rights. Except as provided in the Investors' Rights Agreement, ActiveUSA is not obligated to register under the Securities Act of 1933, as amended (the "Securities Act") any of its presently outstanding securities or any of its securities that may subsequently be issued.

2.13 Permits. ActiveUSA has all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect and believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as planned to be conducted. ActiveUSA is not in default in any material respect under any of such franchises, permits, licenses or other similar authority.

2.14 Compliance With Other Instruments. ActiveUSA is not in violation or default of any provision of its charter documents including its Articles of Incorporation and by-laws or in any material respect of any provision of any mortgage, agreement, instrument or contract to which it is a party or by which it is bound or of any federal or state judgment, order, writ, decree, statute, rule or regulation applicable to ActiveUSA. The execution, delivery and performance by ActiveUSA of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation or be in material conflict with or constitute, with or without the passage of time or giving of notice, either a material default under any such provision or an event that results in the creation of any material lien, charge or encumbrance upon any assets of ActiveUSA or the suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to ActiveUSA, its business or operations, or any of its assets or properties.

2.15 Litigation. There is no action, suit, proceeding or investigation pending or to ActiveUSA's knowledge currently threatened against ActiveUSA that questions the validity of this Agreement or the right of ActiveUSA to enter into this Agreement, or to consummate the transactions contemplated hereby, or that might result, either individually or in the aggregate, in any Material Adverse Effect, or in any material change in the current equity ownership of ActiveUSA. The foregoing includes, without limitation, any action, suit, proceeding or investigation pending or currently threatened involving the prior employment of any of ActiveUSA's employees, their use in connection with ActiveUSA's business of any information or techniques allegedly proprietary to any of their former employers, their obligations under any

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agreements with prior employers, or negotiations by ActiveUSA with potential backers of, or investors in, ActiveUSA or its proposed business. ActiveUSA has no reason to believe that any such action, suit, proceeding or investigation may be brought or threatened against ActiveUSA. ActiveUSA is not a party to or named in any order, writ, injunction, judgment or decree of any court, government agency or instrumentality. There is no action, suit or proceeding by ActiveUSA currently pending or that ActiveUSA currently intends to initiate.

2.16 Disclosure. Neither this Agreement nor any other written statements or certificates made or delivered in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading.

2.17 Taxes. Except as provided in Section 2.17 of the ActiveUSA Disclosure Schedule, all tax returns, statements, reports and forms (including estimated tax returns and reports and information returns and reports) required to be filed with any taxing authority with respect to any taxable period ending on or before the Closing Date, by or on behalf of ActiveUSA, and any member of any consolidated, combined or unitary group of which ActiveUSA is or has been a member (collectively, the "ActiveUSA Returns"), have been or will be filed when due (including any extensions of such due date), and all amounts shown due thereon on or before the Closing Date have been or will be paid on or before such date. ActiveUSA has withheld and paid over all taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts paid or owing to any employee, creditor, independent contractor or other third party. ActiveUSA (or any member of any affiliated or combined group of which ActiveUSA) has not granted any extension or waiver of the limitation period applicable to any ActiveUSA Returns. There is no claim, audit, actions, suit, proceeding or investigation now pending or, to the knowledge of ActiveUSA, threatened against or with respect to ActiveUSA or any ActiveUSA Returns in respect of any tax or assessment. No notice of deficiency or similar document of any tax authority has been received by ActiveUSA, and there are no liabilities for taxes (including liabilities for interest, additions to tax and penalties thereon and related expenses) with respect to the issues that have been raised with ActiveUSA (and are currently pending) by any tax authority that could, if determined adversely to ActiveUSA, adversely affect the liability of ActiveUSA for taxes. ActiveUSA has not filed any consent pursuant to Section 341(f) of the Internal Revenue Code. ActiveUSA has not at any time been (i) a member of an affiliated group of limited liability companies, filing consolidated, combined or unitary license or franchise tax returns or (ii) a member of any partnership or joint venture. There are no liens, pledges, charges, claims, restrictions on transfer, mortgages, securities interests or other encumbrances of any sort (collectively, "Liens") on the assets of ActiveUSA relating to or attributable to taxes owed by ActiveUSA, other than Liens for taxes not yet due and payable.

2.18 Title to Property and Assets; Leases. Except (a) for liens for current taxes not yet delinquent, (b) for liens imposed by law and incurred in the ordinary course of business for obligations not past due to carriers, warehousemen, laborers, materialmen and the like, (c) for liens in respect of pledges or deposits under workers' compensation laws or similar legislation, or (d) for minor defects in title, none of which, individually or in the aggregate, materially

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interferes with the use of such property, ActiveUSA owns its property and assets free and clear of all mortgages, liens, claims and encumbrances. With respect to the property and assets it leases, ActiveUSA is in material compliance with such leases and to its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances, subject to clauses (a)-(d) above.

2.19 Patents and Trademarks. ActiveUSA owns or possesses sufficient legal rights to all trademarks, service marks, trade names, copyrights, domain names, trade secrets, licenses, information and proprietary rights and processes and patents, necessary for its business as now conducted and as proposed to be conducted and to ActiveUSA's knowledge, the operations of ActiveUSA do not and will not conflict with, or infringe the rights of, others. Attached to the ActiveUSA Disclosure Schedule are true and correct lists of (a) the patents, patent applications, trademarks, service marks, trade names, domain names and copyrights which ActiveUSA owns or to which it possesses legal rights, (b) all licenses, sublicenses, options or agreements to which ActiveUSA is a party or by which it is bound and pursuant to which any third party is authorized to use any ActiveUSA patents, trademarks, service marks, trade names, copyrights, domain names, trade secrets, licenses or information and proprietary rights of any kind (c) all licenses, sublicenses, options or agreements to which ActiveUSA is a party or by which it is bound and pursuant to which ActiveUSA is authorized to use any third party patents, trademarks, service marks, trade names, copyrights, domain names, trade secrets, licenses or information and proprietary rights of any kind. ActiveUSA is not a party to any oral license, sublicense, option or agreement which, if reduced to written form, would be required to be listed in the ActiveUSA Disclosure Schedule under the terms of this Section 2.19. ActiveUSA has not received any communications alleging that ActiveUSA has violated or, by conducting its business as proposed, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets or other proprietary rights or processes of any other person or entity. ActiveUSA is not aware that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's best efforts to promote the interests of ActiveUSA or that would conflict with ActiveUSA's business as proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of ActiveUSA's business by the employees of ActiveUSA, nor the conduct of ActiveUSA's business as proposed, will, to the knowledge of ActiveUSA, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. It will not be necessary for ActiveUSA to use any inventions of any of its current employees (or persons it currently intends to hire) made prior to their employment by ActiveUSA, other than those which have been assigned to ActiveUSA. To the knowledge of ActiveUSA, there are no facts or alleged facts which would reasonably serve as a basis for any claim that ActiveUSA does not have the unrestricted right to use, free of any rights or claims of others, all ActiveUSA proprietary rights in the development, use, sale or other disposition of any or all products or services presently being used, furnished or sold in the conduct of the business of ActiveUSA or contemplated to be used, furnished or sold in the business of ActiveUSA.

2.20 Year 2000 Compliance. All of the equipment and computer software, firmware and hardware owned or used by ActiveUSA, or used and operated by third parties on behalf of ActiveUSA, which performs or is or may be required to perform functions involving dates or the

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computation of dates, or containing date related data, has the programming, design and performance capabilities to ensure that (a) it will not suffer any material malfunction and (b) as a result of the date at the end of the twentieth century, leap year calculations or the input, processing, storage or use of dates up to and including December 31, 2000, it will not be adversely affected, require changes in inputting or operating practices, produce invalid or incorrect output or results or suffer any diminution in functionality or performance. All of the equipment and computer software, firmware and hardware owned or used by ActiveUSA, or used and operated by third parties on behalf of ActiveUSA, includes an indication of century in all date related user interfaces and data interfaces. All date related data stored electronically by or on behalf of ActiveUSA is in such form that its input, processing, storage or use by or on behalf of ActiveUSA will not cause any material malfunction in any of ActiveUSA's equipment or computer software, firmware or hardware. Notwithstanding the foregoing, ActiveUSA makes no representation with respect to off-the-shelf software that is used in ActiveUSA's internal computer systems, the failure and malfunctioning of which would not have a material adverse effect on ActiveUSA.

2.21 Employees: Employee Compensation. There is no strike, or labor dispute or union organization activities pending or threatened between it and its employees. None of ActiveUSA's employees belongs to any union or collective bargaining unit. To its knowledge, ActiveUSA has complied in all material respects with all applicable state and federal equal opportunity and other laws related to employment. No employee of ActiveUSA is or will be in violation of any judgment, decree or order, or any term of any employment contract, patent disclosure agreement, or other contract or agreement relating to the relationship of any such employee with ActiveUSA or any other party because of the nature of the business conducted or to be conducted by ActiveUSA or to the use by the employee of his or her best efforts with respect to such business. ActiveUSA is not a party to or bound by any currently effective employment contract, deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement, or other employee compensation agreement. ActiveUSA is not aware that any officer or key employee, or any group of key employees, intends to terminate their employment with ActiveUSA, nor does ActiveUSA have a present intention to terminate the employment of any of the foregoing. Subject to general principles related to wrongful termination of employees and except as provided in Section 2.21 of the ActiveUSA Disclosure Schedule, the employment of each officer and employee of ActiveUSA is terminable at the will of ActiveUSA.

2.22 Proprietary Information and Inventions Agreements. Each employee and officer of ActiveUSA has executed a confidentiality agreement and non-compete agreement in the form or forms which have been delivered to counsel for RaceGate.

2.23 Tax Elections. ActiveUSA has not elected pursuant to the Internal Revenue Code to be treated as an S corporation or a collapsible corporation pursuant to Section 341(f) or Section 1362(a) of the Internal Revenue Code, nor has it made any other elections pursuant to the Internal Revenue Code (other than elections that relate solely to methods of accounting, depreciation or amortization) that would have a material effect on the business, properties, prospects or financial condition of ActiveUSA. ActiveUSA has withheld or collected from each payment made to each of its employees, the amount of all taxes, including, but not limited to,

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federal income taxes, Federal Insurance Contribution Act taxes and Federal Unemployment Tax Act taxes required to be withheld or collected therefrom, and has paid the same to the proper tax receiving officers or authorized depositaries.

2.24 Environmental Regulations. Since its incorporation, ActiveUSA has to its knowledge met, and continues to meet, all applicable local, state, federal and national environmental regulations and has disposed of its waste products and effluents, if any, and/or has caused others to dispose of such waste products and effluents, if any, in accordance with all applicable state, local, federal and national environmental regulations and in such a manner that: (a) no harm has resulted or should result to any of its respective employees or properties or to any other person or entities or their properties, and (b) ActiveUSA has incurred no liability with respect thereto.

2.25 Real Property Holding Corporation. ActiveUSA is not a "United States real property holding corporation" within the meaning of Internal Revenue Code Section 897(c)(2) and any regulations promulgated thereunder.

2.26 Distributions. There has been no declaration or payment by ActiveUSA of any dividend, nor any other distribution by ActiveUSA of any assets of any kind, to any of its stockholders.

2.27 Insurance. ActiveUSA has in full force and effect insurance covering risks associated with its business in such amounts as are customary in its industry.

2.28 Change of Control Payments. Section 2.28 of the ActiveUSA Disclosure Schedule sets forth the terms of all agreements, commitments, employment policies, plans or arrangements binding on ActiveUSA pursuant to which any amounts may become payable by ActiveUSA or the Surviving Corporation (whether currently or in the future) to current or former officers, directors or employees of ActiveUSA or others as a result of or in connection with the Merger, including any termination of employment relating to or within one year following the Merger.

2.29 Qualification as a Qualified Small Business. ActiveUSA is a "qualified small business," as defined in IRC Section 1202(d).

2.30 Finders. No broker's, finder's or any similar fee shall be incurred by, or on behalf of ActiveUSA in connection with the origin, negotiation, execution or performance of this Agreement or the transactions contemplated hereby.

2.31 Tax-Free Reorganization. Neither ActiveUSA nor, to the knowledge of ActiveUSA, any of its directors, officers or stockholders has taken any action which could reasonably be expected to jeopardize the status of the Merger as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code.

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ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF RACEGATE AND MERGER SUB

RaceGate and Merger Sub jointly and severally hereby represent and warrant to ActiveUSA, subject to such exceptions as specifically disclosed with respect to specific numbered and lettered sections and subsections of this Article 3 in the disclosure schedule and schedule of exceptions (the "RaceGate Disclosure Schedule") delivered herewith and dated as of the date hereof, as follows:

3.1 Organization: Good Standing: Qualification. Each of RaceGate and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite corporate power and authority to own, lease and operate its properties and assets and to carry on its business as now conducted and as proposed to be conducted and to execute and deliver this Agreement. Each of RaceGate and Merger Sub is not qualified to transact business as a foreign corporation in any jurisdiction and such qualification is not now required nor required to conduct its business as planned to be conducted.

3.2 Authorization. All corporate action on the part of RaceGate and Merger Sub, their officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement and any Ancillary Agreements to which they are a party and the performance of all obligations of RaceGate and Merger Sub hereunder and thereunder and the consummation of all the transactions contemplated hereby have been taken or will be taken prior to the Closing, and this Agreement and the Ancillary Agreements to which RaceGate and Merger Sub are parties to, constitute valid and legally binding obligations of RaceGate and Merger Sub, enforceable in accordance with their respective terms except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (c) to the extent the indemnification provisions contained herein may be limited by applicable federal or state securities laws.

3.3 Governmental Consents. No consent, approval, qualification, order or authorization of, or filing with, any local, state or federal governmental authority is required on the part of RaceGate or Merger Sub in connection with their valid execution, delivery or performance of this Agreement, except for the filing of the Merger Certificate and except as would not constitute a Material Adverse Effect.

3.4 Capitalization and Voting Rights. The authorized capital of RaceGate consists, or will consist prior to the Closing, of:

(a) **Preferred Stock.** 17,326,523 shares of RaceGate Preferred Stock, \$0.001 par value, of which (i) 641,500 have been designated Series A-1 Preferred Stock, of which 641,500 are issued and outstanding; (ii) 750,000 have been designated Series A-2 Preferred Stock, of which 750,000 are issued and outstanding; (iii) 405,882 have been designated Series A-3 Preferred Stock, of which 405,882 are issued and outstanding; (iv) 5,050,000 have been designated Series B Preferred Stock, of which 5,050,000 are issued and outstanding;

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(v) 2,729,012 have been designated Series C Preferred Stock, of which none are issued and outstanding; (vi) 6,582,814 have been designated Series D-1 Preferred Stock, of which none are issued and outstanding; and (vii) 1,167,315 have been designated Series D-2 Preferred Stock, of which none are issued and outstanding. The rights, privileges and preferences of the Series A-1, Series A-2, Series A-3, and the Series B Preferred Stock will be as stated in RaceGate's Amended and Restated Certificate of Incorporation.

(b) Common Stock. 50,000,000 shares of RaceGate Common Stock, \$0.001 par value, 5,140,803 of which are issued and outstanding.

Immediately prior to the Closing, except for (i) the conversion privileges of the Preferred Stock, (ii) the rights provided in the Amended and Restated Investors' Rights Agreement (the "Restated Investors' Rights Agreement") and the Amended and Restated Stock Restriction and Co-Sale Agreement (the "Restated Co-Sale Agreement") by and among RaceGate and certain of its stockholder dated July 12, 1999, and (iii) currently outstanding options or warrants to purchase 201,500 shares of Common Stock of RaceGate, there are not outstanding any options, warrants, rights (including conversion or preemptive rights and rights of first refusal), or agreements for the purchase or acquisition from RaceGate of any shares of its capital stock. RaceGate is not a party or subject to any agreement or understanding, and there is no agreement or understanding between any persons that affects or relates to the voting or giving of written consents with respect to any security or the voting by a director of RaceGate, except as set forth in the Amended and Restated Voting Agreement (the "Restated Voting Agreement") by and among RaceGate and certain of its stockholders dated July 12, 1999.

(c) Upon Closing, all the RaceGate Capital Stock issued to the stockholders shall be duly issued, fully paid and non-assessable.

(d) The authorized capital stock of Merger Sub consists of one thousand (1,000) shares of common stock, \$0.0001 par value, all of which are issued and outstanding and held by RaceGate.

3.5 Subsidiaries. RaceGate.com, Inc., a California corporation ("RG-California") is a wholly-owned subsidiary of RaceGate. Other than RG-California and Merger Sub (collectively the "RG-Subsidiaries"), RaceGate does not own or control, directly or indirectly, any interest in any other corporation, association or other business entity. RaceGate is not a participant in any joint venture, partnership or similar arrangement.

3.6 Books and Records; Organizational Documents. The minute books and stock record books and other similar records of RaceGate and the RG-Subsidiaries have been provided or made available to ActiveUSA or its counsel prior to the execution of this Agreement, are complete and correct in all material respects and have been maintained in accordance with sound business practices. Such minute books contain a true and complete record of all actions taken at all meetings and by all written consents in lieu of meetings of the directors, stockholders and committees of the Board of Directors of RaceGate and the RG-Subsidiaries from the date of such corporation's incorporation through the date hereof. RaceGate has prior to the execution of this Agreement delivered to ActiveUSA true and complete copies of each of RaceGate's and the RG-

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Subsidiaries' certificate of incorporation and by-laws, both as amended through the date hereof. Neither RaceGate nor either of the RG-Subsidiaries is in violation of any provisions of its certificate of incorporation or by-laws as so amended.

3.7 RaceGate Financial Statements. Section 3.7 of the RaceGate Disclosure Schedule sets forth the RaceGate Financial Statements. The RaceGate Financial Statements delivered to ActiveUSA are correct and complete in all material respects and have been prepared in accordance with GAAP. The accounting basis used by RaceGate has been applied on a consistent basis throughout the periods indicated and consistent with each other (except as may be indicated in the notes thereto). The RaceGate Financial Statements present fairly and accurately in all material respects the financial condition and operating results of RaceGate as of the dates and during the periods indicated therein, subject to adjustments which are not material in amount or significance. Since September 30, 1999, there has been no change in any accounting policies, principles, methods or practices, including any change with respect to reserves (whether for bad debts, contingent liabilities or otherwise), of RaceGate.

3.8 Absence of Undisclosed Liabilities. Neither RaceGate nor either of the RG-Subsidiaries has any liabilities or obligations (whether accrued, absolute, contingent, unliquidated or otherwise, and whether due or to become due), including liabilities that would be required to be disclosed on a balance sheet prepared in accordance with GAAP, other than liabilities or obligations arising since the formation of RG-California which, in the aggregate, are in an amount less than \$10,000 and which were incurred in the ordinary course of business consistent (in amount and kind) with past practice.

3.9 Changes. Since the formation of RG-California, there has not been any event or condition of any type that has materially and adversely affected the business, properties, prospects or financial condition of RaceGate or the RG-Subsidiaries.

3.10 Contracts and Other Commitments. Neither RaceGate nor either of the RG-Subsidiaries has any contract, agreement, lease, commitment or proposed transaction, written or oral, absolute or contingent, other than (a) contracts for the purchase of supplies and services that were entered into in the ordinary course of business which do not involve more than \$10,000 and do not extend for more than one (1) year beyond the date hereof, (b) sales contracts entered into in the ordinary course of business, and (c) contracts terminable at will by RaceGate or either of the RG-Subsidiaries on no more than 30 days notice without cost or liability to RaceGate or RG-California and that do not involve any employment or consulting arrangement and are not material to the conduct of RaceGate's business. For the purpose of this paragraph, employment and consulting contracts and contracts with labor unions, and license agreements and any other agreements relating to the acquisition or disposition of RaceGate's or RG-California's technology, shall not be considered to be contracts entered into in the ordinary course of business. The contracts and agreements which are required to be identified in Section 3.10 of the RaceGate Disclosure Schedule are hereinafter referred to as the "Contracts." Except as set forth in Section 3.10 of the RaceGate Disclosure Schedule:

(a) Each of the Contracts is a valid, binding and enforceable agreement of RaceGate and, to the knowledge of RaceGate, the other parties thereto, and will continue to be

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valid, binding and enforceable after the Closing without the need to obtain the consent of any third party;

(b) RaceGate has no reason to believe that RaceGate will not be able to fulfill all of its obligations under the Contracts which remain to be performed after the date hereof, and RaceGate has not been notified by any governmental or other party that such parties intend to cancel, terminate or modify any of such Contracts or the basis upon which RaceGate is paid thereunder, and RaceGate does not know of any valid grounds for any such cancellation, termination or modification;

(c) There has not occurred any default (or event which upon the provision of notice or lapse of time or both would become such a default) under any of the Contracts on the part of RaceGate;

(d) The Contracts are all of the agreements, contracts and commitments that are material to RaceGate and necessary for the operation of its business.

3.11 Related-Party Transactions. No stockholder, employee, officer or director of RaceGate or RG-California or member of his or her immediate family is indebted to RaceGate or RG-California, nor is RaceGate or RG-California indebted (or committed to make loans or extend or guarantee credit) to any of them. To the best of RaceGate's knowledge, none of such persons has any direct or indirect ownership in any firm or corporation with which RaceGate or RG-California is affiliated or with which RaceGate or RG-California has a business relationship, or any firm or corporation that competes with RaceGate, except that employees, officers or directors of RaceGate and RG-California and members of their immediate families may own up to 1% of the stock in publicly traded companies that may compete with RaceGate. To the best of RaceGate's knowledge, no officer or director or any member of their immediate families is, directly or indirectly, interested in any material contract with RaceGate or RG-California.

3.12 Registration Rights. Except as provided in the Investors' Rights Agreement, RaceGate is not obligated to register under the Securities Act any of its presently outstanding securities or any of its securities that may subsequently be issued.

3.13 Permits. RaceGate and the RG-Subsidiaries have all franchises, permits, licenses and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which would have a Material Adverse Effect and believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as planned to be conducted. Neither RaceGate nor either of the RG-Subsidiaries is in default in any material respect under any of such franchises, permits, licenses or other similar authority.

3.14 Compliance With Other Instruments. Neither RaceGate nor either of the RG-Subsidiaries are in violation or default of any provision of their respective Certificates of Incorporation or their by-laws or in any material respect of any provision of any mortgage, agreement, instrument or contract to which they are a party or by which they are bound or of any federal or state judgment, order, writ, decree, statute, rule or regulation applicable to them. The execution, delivery and performance by RaceGate and Merger Sub of this Agreement and the

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consummation of the transactions contemplated hereby will not result in any such violation or be in material conflict with or constitute, with or without the passage of time or giving of notice, either a material default under any such provision or an event that results in the creation of any material lien, charge or encumbrance upon any assets of RaceGate and the RG-Subsidiaries or the suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to RaceGate and the RG-Subsidiaries, their business or operations, or any of their assets or properties.

3.15 Litigation. There is no action, suit, proceeding or investigation pending or to RaceGate's knowledge currently threatened against RaceGate or either of the RG-Subsidiaries that questions the validity of this Agreement or the right of RaceGate and Merger Sub to enter into this Agreement, or to consummate the transactions contemplated hereby, or that might result, either individually or in the aggregate, in any Material Adverse Effect, or in any material change in the current equity ownership of RaceGate. The foregoing includes, without limitation, any action, suit, proceeding or investigation pending or currently threatened involving the prior employment of any of RaceGate's or RG-California's employees, their use in connection with RaceGate's business of any information or techniques allegedly proprietary to any of their former employers, their obligations under any agreements with prior employers, or negotiations by RaceGate with potential backers of, or investors in, RaceGate or its proposed business. RaceGate has no reason to believe that any such action, suit, proceeding or investigation may be brought or threatened against RaceGate or either of the RG-Subsidiaries. Neither RaceGate nor either of the RG-Subsidiaries are a party to or named in any order, writ, injunction, judgment or decree of any court, government agency or instrumentality. There is no action, suit or proceeding by RaceGate or either of the RG-Subsidiaries currently pending or that any of them currently intends to initiate.

3.16 Disclosure. Neither this Agreement nor any other written statements or certificates made or delivered in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading.

3.17 Taxes. All tax returns, statements, reports and forms (including estimated tax returns and reports and information returns and reports) required to be filed with any taxing authority with respect to any taxable period ending on or before the Closing Date, by or on behalf of RaceGate, and any member of any consolidated, combined or unitary group of which RaceGate is or has been a member (collectively, the "RaceGate Returns"), have been or will be filed when due (including any extensions of such due date), and all amounts shown due thereon on or before the Closing Date have been or will be paid on or before such date. RaceGate has withheld and paid over all taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts paid or owing to any employee, creditor, independent contractor or other third party. RaceGate (or any member of any affiliated or combined group of which RaceGate) has not granted any extension or waiver of the limitation period applicable to any RaceGate Returns. There is no claim, audit, actions, suit, proceeding or investigation now pending or, to the knowledge of RaceGate, threatened against or with respect to RaceGate or any RaceGate Returns in respect of any tax or assessment. No

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notice of deficiency or similar document of any tax authority has been received by RaceGate, and there are no liabilities for taxes (including liabilities for interest, additions to tax and penalties thereon and related expenses) with respect to the issues that have been raised with RaceGate (and are currently pending) by any tax authority that could, if determined adversely to RaceGate, adversely affect the liability of RaceGate for taxes. RaceGate has not filed any consent pursuant to Section 341(f) of the Internal Revenue Code. RaceGate has not at any time been (i) a member of an affiliated group of limited liability companies, filing consolidated, combined or unitary license or franchise tax returns or (ii) a member of any partnership or joint venture. There are no liens, pledges, charges, claims, restrictions on transfer, mortgages, securities interests or other encumbrances of any sort (collectively, "Liens") on the assets of RaceGate relating to or attributable to taxes owed by RaceGate, other than Liens for taxes not yet due and payable.

3.18 Title to Property and Assets; Leases. Except (a) for liens for current taxes not yet delinquent, (b) for liens imposed by law and incurred in the ordinary course of business for obligations not past due to carriers, warehousemen, laborers, materialmen and the like, (c) for liens in respect of pledges or deposits under workers' compensation laws or similar legislation, or (d) for minor defects in title, none of which, individually or in the aggregate, materially interferes with the use of such property, each of RaceGate and the RG-Subsidiaries owns its property and assets free and clear of all mortgages, liens, claims and encumbrances. With respect to the property and assets it leases, each of RaceGate and the RG-Subsidiaries is in material compliance with such leases and to its knowledge, holds a valid leasehold interest free of any liens, claims or encumbrances, subject to clauses (a)-(d) above.

3.19 Patents and Trademarks. RaceGate and RG-California own or possess sufficient legal rights to all trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and proprietary rights and processes and patents, necessary for RaceGate's business as now conducted and as proposed to be conducted and to RaceGate's knowledge, the operations of RaceGate do not and will not conflict with, or infringe the rights of, others. Attached to the RaceGate Disclosure Schedule are true and correct lists of (a) the patents, patent applications, trademarks, service marks, trade names, domain names and copyrights which RaceGate and RG-California owns or to which either corporation possesses legal rights, (b) all licenses, sublicenses, options or agreements to which RaceGate is a party or by which it is bound and pursuant to which any third party is authorized to use any RaceGate or RG-California patents, trademarks, service marks, trade names, copyrights, domain names, trade secrets, licenses or information and proprietary rights of any kind (c) all licenses, sublicenses, options or agreements to which RaceGate or RG-California is a party or by which it is bound and pursuant to which RaceGate or RG-California is authorized to use any third party patents, trademarks, service marks, trade names, copyrights, domain names, trade secrets, licenses or information and proprietary rights of any kind. Neither RaceGate nor RG-California is a party to any oral license, sublicense, option or agreement which, if reduced to written form, would be required to be listed in the RaceGate Disclosure Schedule under the terms of this Section 3.19. Neither RaceGate nor RG-California has received any communications alleging that RaceGate has violated or, by conducting its business as proposed, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets or other proprietary rights or processes of any other person or entity. RaceGate is not aware that any of its or RG-California's employees is obligated under

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any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's best efforts to promote the interests of RaceGate or that would conflict with RaceGate's business as proposed to be conducted. Neither the execution nor delivery of this Agreement, nor the carrying on of RaceGate's business by the employees of RaceGate and RG-California, nor the conduct of RaceGate's business as proposed, will, to the knowledge of RaceGate and RG-California, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees is now obligated. It will not be necessary for RaceGate or RG-California to use any inventions of any of its current employees (or persons it currently intends to hire) made prior to their employment by RaceGate or RG-California, other than those which have been assigned to RaceGate or RG-California. To the knowledge of RaceGate and RG-California, there are no facts or alleged facts which would reasonably serve as a basis for any claim that RaceGate or RG-California does not have the unrestricted right to use, free of any rights or claims of others, all its proprietary rights in the development, use, sale or other disposition of any or all products or services presently being used, furnished or sold in the conduct of the business of RaceGate or contemplated to be used, furnished or sold in the business of RaceGate.

3.20 Year 2000 Compliance. All of the equipment and computer software, firmware and hardware owned or used by RaceGate and RG-California, or used and operated by third parties on behalf of RaceGate and RG-California, which performs or is or may be required to perform functions involving dates or the computation of dates, or containing date related data, has the programming, design and performance capabilities to ensure that (a) it will not suffer any material malfunction and (b) as a result of the date at the end of the twentieth century, leap year calculations or the input, processing, storage or use of dates up to and including December 31, 2000, it will not be adversely affected, require changes in inputting or operating practices, produce invalid or incorrect output or results or suffer any diminution in functionality or performance. All of the equipment and computer software, firmware and hardware owned or used by RaceGate and RG-California, or used and operated by third parties on behalf of RaceGate and RG-California, includes an indication of century in all date related user interfaces and data interfaces. All date related data stored electronically by or on behalf of RaceGate and RG-California is in such form that its input, processing, storage or use by or on behalf of RaceGate and RG-California will not cause any material malfunction in any of RaceGate's or RG-California's equipment or computer software, firmware or hardware. Notwithstanding the foregoing, RaceGate or RG-California makes no representation with respect to off-the-shelf software that is used in RaceGate's internal computer systems, the failure and malfunctioning of which would not have a material adverse effect on RaceGate.

3.21 Employees: Employee Compensation. To the knowledge of RaceGate and RG-California, there is no strike, or labor dispute or union organization activities pending or threatened between RaceGate or RG-California and their employees. None of RaceGate's or RG-California's employees belongs to any union or collective bargaining unit. To its knowledge, RaceGate and RG-California have complied in all material respects with all applicable state and federal equal opportunity and other laws related to employment. No employee of RaceGate or RG-California is or will be in violation of any judgment, decree or

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order, or any term of any employment contract, patent disclosure agreement, or other contract or agreement relating to the relationship of any such employee with RaceGate or RG-California or to the knowledge of RaceGate and RG-California, any other party because of the nature of the business conducted or to be conducted by RaceGate or to the use by the employee of his or her best efforts with respect to such business. Neither RaceGate nor RG-California is a party to or bound by any currently effective employment contract, deferred compensation agreement, bonus plan, incentive plan, profit sharing plan, retirement agreement, or other employee compensation agreement. Neither RaceGate nor RG-California is aware that any officer or key employee, or any group of key employees, intends to terminate their employment with RaceGate or RG-California, nor does RaceGate or RG-California have a present intention to terminate the employment of any of the foregoing. Subject to general principles related to wrongful termination of employees, the employment of each officer and employee of RaceGate and RG-California is terminable at the will of such corporation.

3.22 Proprietary Information and Inventions Agreements. Each employee and officer of RaceGate and RG-California has executed a Proprietary Information and Inventions Agreement in the form or forms which have been delivered to counsel for ActiveUSA.

3.23 Tax Elections. Neither RaceGate nor RG-California has elected pursuant to the Internal Revenue Code to be treated as an S corporation or a collapsible corporation pursuant to Section 341(f) or Section 1362(a) of the Internal Revenue Code, nor has it made any other elections pursuant to the Internal Revenue Code (other than elections that relate solely to methods of accounting, depreciation or amortization) that would have a material effect on the business, properties, prospects or financial condition of RaceGate. RaceGate and RG-California have withheld or collected from each payment made to each of its employees, the amount of all taxes, including, but not limited to, federal income taxes, Federal Insurance Contribution Act taxes and Federal Unemployment Tax Act taxes required to be withheld or collected therefrom, and has paid the same to the proper tax receiving officers or authorized depositaries.

3.24 Environmental Regulations. Since its incorporation, RaceGate and RG-California has to its knowledge met, and continues to meet, all applicable local, state, federal and national environmental regulations and has disposed of its waste products and effluents, if any, and/or has caused others to dispose of such waste products and effluents, if any, in accordance with all applicable state, local, federal and national environmental regulations and in such a manner that: (a) no harm has resulted or should result to any of its respective employees or properties or to any other person or entities or their properties, and (b) neither RaceGate nor RG-California has incurred any liability with respect thereto.

3.25 Real Property Holding Corporation. RaceGate is not a "United States real property holding corporation" within the meaning of Internal Revenue Code Section 897(c)(2) and any regulations promulgated thereunder.

3.26 Distributions. There has been no declaration or payment by RaceGate of any dividend, nor any other distribution by RaceGate of any assets of any kind, to any of its stockholders.

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3.27 Insurance. RaceGate has in full force and effect insurance covering risks associated with its business in such amounts as are customary in its industry.

3.28 Change of Control Payments. Section 3.28 of the RaceGate Disclosure Schedule sets forth the terms of all agreements, commitments, employment policies, plans or arrangements binding on RaceGate pursuant to which any amounts may become payable by RaceGate or RG-California (whether currently or in the future) to current or former officers, directors or employees of RaceGate or others as a result of or in connection with the Merger, including any termination of employment relating to or within one year following the Merger.

3.29 Qualification as a Qualified Small Business. RaceGate is a "qualified small business," as defined in IRC Section 1202(d).

3.30 Finders. No broker's, finder's or any similar fee shall be incurred by, or on behalf of RaceGate in connection with the origin, negotiation, execution or performance of this Agreement or the transactions contemplated hereby.

3.31 Ownership of Merger Sub; No Prior Activities. As of the date hereof and the Effective Time, except for obligations or liabilities incurred in connection with its incorporation or organization and the transactions contemplated by this Agreement and except for this Agreement and any other agreements or arrangements contemplated by this Agreement, Merger Sub has not and will not have incurred, directly or indirectly, through any subsidiary or affiliate, any obligations or liabilities or engaged in any business activities of any type or kind whatsoever or entered into any agreements or arrangements with any person.

3.32 Tax-Free Organization.

(a) Prior to the Closing, all of the shares of capital stock of the Merger Sub are owned by RaceGate.

(b) RaceGate has no current plan or intention to (i) reacquire any of the RaceGate Capital Stock issued in connection with the transactions contemplated by this Agreement; (ii) liquidate the Surviving Corporation; (iii) merge the Surviving Corporation with or into another entity; (iv) sell or otherwise dispose of its assets following the Close, except in the ordinary course of business; or (v) cause the Surviving Corporation to issue any additional stock or securities.

(c) RaceGate has never owned any ActiveUSA Capital Stock.

(d) Neither RaceGate nor Merger Sub is an investment company subject to regulation under the Investment Company Act of 1940.

**ARTICLE 4
CONDUCT PRIOR TO THE EFFECTIVE TIME**

4.1 Conduct of Business. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement and the Effective Time,

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ActiveUSA and RaceGate agree (subject to the other party's prior written consent) to carry on their businesses in the ordinary course consistent with past practice, to pay their liabilities and taxes consistent with their past practices (and in any event when due except if contested in good faith through appropriate proceedings), to pay or perform other obligations when due consistent with their past practices (other than liabilities, taxes and other obligations, if any, contested in good faith through appropriate proceedings), and, to the extent consistent with their businesses, to use reasonable efforts and institute all policies to preserve intact their present business organization, keep available the services of their present officers and key employees and preserve their relationships with customers, suppliers, distributors, licensors, licensees, independent contractors and other persons having business dealings with them, all with the express purpose and intent of preserving unimpaired their goodwill and ongoing businesses at the Effective Time. Except as expressly contemplated by this Agreement, neither ActiveUSA nor RaceGate, without the prior written consent of the other party, will take, or agree in writing or otherwise to take, any action that would make any of their representations or warranties contained in this Agreement untrue or incorrect in any material respect or prevent them from performing or cause them not to perform their agreements and covenants hereunder.

4.2 No Solicitation. Until the earlier of the Effective Time and the date of termination of this Agreement pursuant to the provisions of Section 8.1 hereof, neither party will (and each party will assure that its officers, directors, employees, affiliates, agents and legal, accounting and financial advisors do not on its behalf) take any action to solicit, initiate, seek, encourage, support or entertain any inquiry, proposal or offer from, furnish any information to, or participate in any discussions or negotiations with, any corporation, partnership, person or other entity or group (other than negotiations among the parties hereto) regarding, a transaction involving the sale of a material amount of such party's assets, any acquisition, merger or consolidation or any transaction involving the sale of such party's stock or any form of equity security in excess of three percent (3%) of the outstanding capital stock (but excluding any stock or options granted to an employee as part of his or her employment terms with the company) of such party (a "Third Party Transaction"). Each party agrees that any discussions or negotiations referred to in this Section 4.2 (other than negotiations among the parties) in progress as of or prior to the date of this Agreement will be suspended during the period referred to above and that, in no event, will RaceGate or ActiveUSA accept or enter into an agreement with any such third party regarding matters contemplated herein during such period. Notwithstanding the foregoing, in the event a party wishes to entertain discussions with a third party that would otherwise violate the terms of this standstill agreement, such discussion shall be permitted only if made jointly by representatives of both RaceGate and ActiveUSA.

ARTICLE 5 ADDITIONAL AGREEMENTS

5.1 Information Statement: Restricted Securities.

(a) As soon as practicable after the execution of this Agreement, ActiveUSA and RaceGate shall jointly prepare the Information Statement for the stockholders of ActiveUSA and RaceGate to approve this Agreement and the transactions contemplated hereby. The Information Statement shall constitute a disclosure document for the offer and issuance of the

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shares of RaceGate Capital Stock to be received by the holders of ActiveUSA Capital Stock in the Merger. RaceGate and ActiveUSA shall each use reasonable commercial efforts to cause the Information Statement to comply with applicable federal and state securities laws requirements. Each of RaceGate and ActiveUSA agrees to provide promptly to the other such information concerning its business and financial statements and affairs as, in the reasonable judgment of the providing party or its counsel, may be required or appropriate for inclusion in the Information Statement, or in any amendments or supplements thereto, and to cause its counsel and auditors to cooperate with the other's counsel and auditors in the preparation of the Information Statement. ActiveUSA will promptly advise RaceGate, and RaceGate will promptly advise ActiveUSA, in writing if at any time prior to the Effective Time either ActiveUSA or RaceGate shall obtain knowledge of any facts that might make it necessary or appropriate to amend or supplement the Information Statement in order to make the statements contained or incorporated by reference therein not misleading or to comply with applicable law. The Information Statement shall contain the recommendation of the Board of Directors of ActiveUSA and RaceGate that ActiveUSA and RaceGate stockholders approve the Merger and this Agreement and the conclusion of the Board of Directors of both corporations that the terms and conditions of the Merger are advisable and fair and reasonable to its respective stockholders. Anything to the contrary contained herein notwithstanding, neither ActiveUSA nor RaceGate shall include in the Information Statement any information with respect to the other party or its affiliates, the form and content of which information shall not have been approved by such other party prior to such inclusion.

(b) Each stockholder of ActiveUSA shall execute and deliver to RaceGate a certificate to be attached in the form annexed as Exhibit F (the "Stockholder Certificate") and that RaceGate will be relying upon the representations made by each stockholder of ActiveUSA in the applicable Stockholder Certificate in connection with the issuance of RaceGate Capital Stock to such stockholder. The shares of RaceGate Capital Stock so issued pursuant to Section 1.6 will not be registered under the Securities Act, will constitute "restricted securities" within the meaning of the Securities Act and the certificates representing the shares of RaceGate Capital Stock shall bear appropriate legends to identify such privately placed shares as being restricted under the Securities Act, to comply with applicable state securities laws and, if applicable, to notice the restrictions on transfer of such shares.

5.2 Stockholder Approval. ActiveUSA and RaceGate shall use all commercially reasonable efforts required to obtain from its respective stockholders executed actions by written consent approving the Merger and the transactions and agreements contemplated thereby. Any materials submitted to the stockholders of ActiveUSA or RaceGate, as the case may be, in connection with the solicitation of their approval of the Merger shall include information regarding both companies, the terms of the Merger and this Agreement, the unanimous recommendation of the Board of Directors of each of ActiveUSA and RaceGate in favor of the Merger, this Agreement and the transactions contemplated hereby and such other information as required in order to satisfy the requirements of the Securities Act and all applicable state securities law in connection with the issuance and sale of RaceGate Capital Stock in the Merger.

5.3 Access to Information. Between the date of this Agreement and the earlier of the Effective Time or the termination of this Agreement, upon reasonable request ActiveUSA

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and RaceGate shall, during normal business hours, (i) give each other and their respective officers, employees, accountants, counsel, financing sources and other agents and representatives full reasonable access to their buildings, offices, and other facilities and to all their books and records, whether located on their premises or at another location; (ii) permit the other party to make such inspections as they may reasonably require; (iii) cause its officers to furnish the other party such financial, operating, technical and product data and other information with respect to the business and assets and properties of such party as they from time to time may reasonably request, including financial statements and schedules; and (iv) allow each other the opportunity to interview their employees and other personnel with their prior written consent, which consent shall not be unreasonably withheld or delayed. Materials furnished to RaceGate and ActiveUSA pursuant to this Section 5.3 may be used by each party for strategic and integration planning purposes relating to accomplishing the transactions contemplated hereby.

5.4 Confidentiality. The parties acknowledge that RaceGate and ActiveUSA have previously executed a non-disclosure agreement (the "Confidentiality Agreement"), which Confidentiality Agreement shall continue in full force and effect in accordance with its terms.

5.5 Expenses. Whether or not the Merger is consummated, all fees and expenses incurred in connection with the Merger including all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties ("Third Party Expenses") incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby, shall be the obligation of the respective party incurring such fees and expenses.

5.6 Public Disclosure. Unless otherwise required by applicable law (including federal and state securities laws) prior to the Effective Time (in which case RaceGate and ActiveUSA shall have a prior opportunity to review and comment on the proposed disclosure), no disclosure (whether or not in response to any inquiry) of the existence of any subject matter of, or the terms and conditions of, this Agreement shall be made by any party hereto unless approved by RaceGate and ActiveUSA prior to release; *provided, however*, that such approval shall not be unreasonably withheld or delayed.

5.7 Approvals. Each of RaceGate and ActiveUSA shall use all commercially reasonable efforts required to obtain all approvals from governmental or regulatory authorities or under any of the contracts or other agreements as may be required in connection with the Merger (all of which approvals are set forth in the ActiveUSA Disclosure Schedule) so as to facilitate the consummation of the Merger as well as to preserve all rights of and benefits to ActiveUSA thereunder and each party shall provide the other party with such assistance and information as is reasonably required to obtain such approvals.

5.8 Notification of Certain Matters. ActiveUSA shall give prompt notice to RaceGate, and RaceGate shall give prompt notice to ActiveUSA, of (i) the occurrence or non-occurrence of any event, the occurrence or non-occurrence of which is likely to cause any representation or warranty of ActiveUSA, RaceGate or Merger Sub, respectively, contained in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing Date

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and (ii) any failure of ActiveUSA, RaceGate or Merger Sub, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder.

5.9 ActiveUSA's 1999 Stock Option Plan. At the Effective Time, the ActiveUSA Stock Option Plan and each outstanding option to purchase shares of ActiveUSA Common Stock under such plan, whether vested or unvested, will be assumed by RaceGate and any outstanding repurchase rights shall be assigned to RaceGate. Section 5.9 of the ActiveUSA Disclosure Schedule sets forth a true and complete list as of the date hereof of all holders of outstanding options under the ActiveUSA Stock Option Plan including the number of shares of ActiveUSA Common Stock subject to each such option, the date of grant of each such option, the exercise or vesting schedule, the exercise price per share and the term of each such option. On the Closing Date, ActiveUSA shall deliver to RaceGate an updated Section 5.9 of the ActiveUSA Disclosure Schedule current as of such date. Each such option so assumed by RaceGate under this Agreement shall continue to have, and be subject to, the same terms and conditions set forth in the ActiveUSA Stock Option Plan immediately prior to the Effective Time, except that (i) such option will be exercisable for that number of whole shares of RaceGate Common Stock equal to the product of the number of shares of ActiveUSA Common Stock that were issuable upon exercise of such option immediately prior to the Effective Time multiplied by the Common Stock Exchange Ratio and rounded down to the nearest whole number of shares of RaceGate Stock, and (ii) the per share exercise price for the shares of RaceGate Stock issuable upon exercise of such assumed option will be equal to the quotient determined by dividing the exercise price per share of ActiveUSA Common Stock at which such option was exercisable immediately prior to the Effective Time by the Common Stock Exchange Ratio, rounded up to the nearest whole cent. Consistent with the terms of the ActiveUSA Stock Option Plan and the documents governing the outstanding options under such plan, the Merger will not terminate any of the outstanding options under the ActiveUSA Stock Option Plan or accelerate the exercisability or vesting of such options. It is the intention of the parties that the options so assumed by RaceGate qualify following the Effective Time as incentive stock options as defined in Section 422 of the Code to the extent such options qualified as incentive stock options prior to the Effective Time. Within ten (10) Business Days after the Effective Time, RaceGate will issue to each person who, immediately prior to the Effective Time was a holder of an outstanding option under the ActiveUSA Stock Option Plan a document evidencing the foregoing assumption of such option by RaceGate.

5.10 Assumption of Obligation to Issue Shares. At the Effective Time, RaceGate shall assume the obligations to issue shares of Common Stock listed on Schedule 5.10; provided that prior to the Effective Time such third parties shall enter into an Assumption Agreement in the form reasonably satisfactory to RaceGate. ActiveUSA agrees to cooperate with RaceGate and use its best efforts to obtain such signed Assumption Agreements.

5.11 Necessary Filings. RaceGate, Merger Sub, and each of the stockholders of ActiveUSA shall use all commercially reasonable efforts to promptly make all necessary filings required by the Internal Revenue Code or otherwise and to take any reasonable actions to cause the Merger to be treated as a "tax-free" organization under the Internal Revenue Code.

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5.12 Additional Documents and Further Assurances. Each party hereto, at the request of the other party hereto, shall execute and deliver such other instruments and do and perform such other acts and things (including, but not limited to, all action reasonably necessary to seek and obtain any and all consents and approvals of any government or regulatory authority or person required in connection with the Merger; *provided, however*, that RaceGate shall not be obligated to consent to any divestitures or operational limitations or activities in connection therewith and no party shall be obligated to make a payment of money as a condition to obtaining any such condition or approval) as may be reasonably necessary or desirable for effecting completely the consummation of this Agreement and the transactions contemplated hereby.

5.13 Executive Committee. Unless or until a CEO is hired, an Executive Committee shall be formed to facilitate the integration of RaceGate and ActiveUSA. The Executive Committee shall consist of Scott Kyle, Mitch Thrower, James Woodman, Alec Lindenauer, Ronald Taylor and Lee Rosenberg. Day-to-day management decisions will be made by a majority of the four management members of the Executive Committee. In the event the management members of the Executive Committee are unable to agree on a management decision, they shall refer the matter to the two investor members of the Executive Committee for resolution. The Executive Committee is not intended to modify or reduce the involvement of the RaceGate Board of Directors, and the Board of Directors will have the authority to suspend or terminate the Executive Committee in its discretion.

5.14 Name Change. Prior to or immediately following the Effective Time, RaceGate shall change its corporate name to ActiveUSA.com, Inc.

ARTICLE 6 CONDITIONS TO THE MERGER

6.1 Conditions to Obligations of Each Party to Effect the Merger. The respective obligations of each party to this Agreement to effect the Merger shall be subject to the satisfaction at or prior to the Closing of the following conditions:

(a) **Governmental and Regulatory Approvals.** Approvals from any governmental or regulatory authority (if any) deemed appropriate or necessary by any party to this Agreement shall have been timely obtained, and any waiting period applicable to the consummation of the Merger shall have expired or been terminated.

(b) **No Injunctions or Regulatory Restraints: Illegality.** No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or governmental or regulatory authority or other legal or regulatory restraint or prohibition preventing the consummation of the Merger shall be in effect; nor shall there be any action taken, or any law or order enacted, entered, enforced or deemed applicable to the Merger or the other transactions contemplated by the terms of this Agreement that would prohibit the consummation of the Merger or which would permit consummation of the Merger only if certain divestitures were made or if RaceGate were to agree to limitations on its business activities or operations.

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(c) TMCS Transaction. RaceGate shall have entered into definitive investment and corporate partnership agreements with Ticketmaster Online-City Search, Inc. on terms acceptable to RaceGate and ActiveUSA.

(d) Stockholder Approval. The Merger shall have been approved by the requisite votes of ActiveUSA's stockholders in accordance with the Florida Code and RaceGate's stockholders in accordance with the Delaware Code.

(e) Investors' Rights Agreement. Certain of the stockholders of ActiveUSA and RaceGate shall have entered into that certain Second Amended and Restated Investors' Rights Agreement in the form attached hereto as Exhibit C.

(f) Board of Directors. At the Closing, the Board of Directors of RaceGate shall consist of Ronald Taylor, Lee Rosenberg, Scott Kyle, James Woodman and three vacancies to be filled in accordance with the Voting Agreement.

(g) Voting Agreement. The stockholders of ActiveUSA and RaceGate shall have entered into that certain Second Amended and Restated Voting Agreement in the form attached hereto as Exhibit D.

(h) Stock Restriction Agreement. The stockholders of ActiveUSA and RaceGate shall have entered into that certain Second Amended and Restated Stock Restriction Agreement in the form attached hereto as Exhibit E.

(i) Filing of Restated Certificate. RaceGate shall have filed with the Secretary of State of the State of Delaware the Amended and Restated Certificate of Incorporation in the form attached hereto as Exhibit B.

(j) Executive Committee. RaceGate shall have formed an Executive Committee consisting of Scott Kyle, James Woodman, Mitch Thrower, Alec Lindenauer, Ronald Taylor and Lee Rosenberg.

(k) Assumption Agreements. The holders of options, warrants or the right to receive ActiveUSA Common Stock shall have entered into an Assumption Agreement with RaceGate in a form reasonably satisfactory to RaceGate and ActiveUSA.

(l) Exchange of Series B Shares. ActiveUSA shall have cancelled and exchanged the outstanding shares of Series B Preferred Stock for shares of Series A Preferred Stock such that there are an aggregate of 2,742,587 shares of ActiveUSA Series A Preferred Stock issued and outstanding immediately prior to the Closing.

(m) Termination of Employment Agreements. ActiveUSA shall have terminated all existing employment agreements with its employees, including without limitation the agreements with James Woodman and Alec Lindenauer, and each employee shall have signed an offer letter in a form reasonably satisfactory to RaceGate and ActiveUSA.

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6.2 Additional Conditions to Obligations of ActiveUSA. The obligations of ActiveUSA to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, exclusively by ActiveUSA.

(a) **Representations and Warranties.** Each of the representations and warranties made by RaceGate and Merger Sub in this Agreement shall be true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) when made and (other than representations and warranties which by their express terms are made solely as of a specified earlier date) on and as of the Closing Date as though such representation or warranty was made on and as of the Closing Date, and any representation or warranty made as of a specified date earlier than the Closing Date shall be true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) on and as of such earlier date

(b) **Performance.** RaceGate and Merger Sub shall have performed and complied with all material respects each agreement, covenant and obligation required by this Agreement to be so performed or complied with by the RaceGate or Merger Sub on or before the Closing.

(c) **Officers' Certificates.** RaceGate and Merger Sub shall have delivered to ActiveUSA certificates, dated the Closing Date and executed by their respective qualified officers in a form reasonably satisfactory to ActiveUSA.

(d) **Legal Opinion.** ActiveUSA shall have received a legal opinion from Brobeck, Phleger & Harrison LLP, counsel to RaceGate in a form reasonably satisfactory to ActiveUSA

(e) **Private Placement.** The parties shall be reasonably satisfied that the shares of RaceGate Capital Stock to be issued in connection with the Merger pursuant to Section 1.6 and Section 1.11 are issuable without registration pursuant to the Securities Act and all applicable state securities law.

(f) **Tax-Free Reorganization.** The Merger will constitute a tax-free reorganization within the meaning of Section 368(a) of the IRC.

(g) **No Material Adverse Effect.** There shall have occurred no Material Adverse Effect with respect to RaceGate or Merger Sub since the date of this Agreement.

6.3 Additional Conditions to the Obligations of RaceGate and Merger Sub. The obligations of RaceGate and Merger Sub to consummate the Merger and the other transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of each of the following conditions, any of which may be waived, in writing, exclusively by RaceGate:

(a) **Representations and Warranties.** Each of the representations and warranties made by ActiveUSA in this Agreement shall be true and correct in all material

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respects (if not qualified by materiality) and in all respects (if qualified by materiality) when made and (other than representations and warranties which by their express terms are made solely as of a specified earlier date) on and as of the Closing Date as though such representation or warranty was made on and as of the Closing Date, and any representation or warranty made as of a specified date earlier than the Closing Date shall be true and correct in all material respects (if not qualified by materiality) and in all respects (if qualified by materiality) on and as of such earlier date.

(b) Performance. ActiveUSA shall have performed and complied in all material respects with each agreement, covenant and obligation required by this Agreement to be so performed or complied with by ActiveUSA on or before the Closing Date.

(c) Officers' Certificates. ActiveUSA shall have delivered to RaceGate certificates, dated the Closing Date and executed by a qualified officer in a form reasonably satisfactory to RaceGate.

(d) Third Party Consents. RaceGate shall have been furnished with evidence satisfactory to it that ActiveUSA has obtained the consents, approvals and waivers listed in Section 2.10 of the ActiveUSA Disclosure Schedule (except for such consents, approvals and waivers the failure of which to receive could not reasonably be expected to have a material adverse effect on the Surviving Corporation).

(e) Legal Opinion. RaceGate shall have received a legal opinion from Akerman, Senterfitt & Edison, P.A., legal counsel to ActiveUSA in a form reasonably satisfactory to RaceGate.

(f) Termination of ActiveUSA Investor Rights Agreement. The Investors Rights Agreement dated August 1999 by and among ActiveUSA and certain of its stockholders shall have been terminated.

(g) Termination of ActiveUSA Voting Trust. The Voting Trust Agreement dated August 1999 by and among ActiveUSA and certain of its stockholders shall have been terminated.

(h) Non-Competition Agreement. James Woodman shall have entered into that certain Non-Competition Agreement in the form attached hereto as Exhibit G.

(i) No Dissenting Shares. No holders of the outstanding shares of ActiveUSA Capital Stock shall have exercised, nor shall they have any continued right to exercise, appraisal, dissenters' or similar rights under applicable law with respect to their shares by virtue of the Merger.

(j) FIRPTA Compliance. The executed statement in the form reasonably acceptable to RaceGate for purposes of satisfying RaceGate's obligations under Treasury Regulation Section 1.1445-2(c)(3) previously delivered by ActiveUSA to RaceGate shall continue to be in full force and effect.

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(k) No Material Adverse Effect There shall have occurred no Material Adverse Effect with respect to ActiveUSA since the date hereof

(l) Legal Proceedings. No governmental or regulatory authority shall have notified any party to this Agreement that it intends to commence proceedings to restrain or prohibit the transactions contemplated hereby or force rescission, unless such governmental or regulatory authority shall have withdrawn such notice and abandoned any such proceedings prior to the time which otherwise would have been the Closing Date.

(m) Private Placement. Each of the stockholders of ActiveUSA shall have delivered executed copies of the Stockholder Certificate, and RaceGate shall be reasonably satisfied that the shares of RaceGate Capital Stock to be issued in connection with the Merger pursuant to Section 1.6 and Section 1.11 are issuable without registration pursuant to the Securities Act and all applicable state securities laws.

ARTICLE 7

SURVIVAL OF REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS; LIMITATION ON LIABILITY

7.1 Survival of Representations, Warranties, Covenants and Agreements. Notwithstanding any right of RaceGate, Merger Sub or ActiveUSA (whether or not exercised) to investigate the affairs of RaceGate, Merger Sub or ActiveUSA (whether pursuant to Section 5.3 or otherwise) or a waiver by RaceGate or ActiveUSA of any condition to Closing set forth in Article 6, each party shall have the right to rely fully upon the representations, warranties, covenants and agreements of the other party contained in this Agreement or in any instrument delivered pursuant to this Agreement. All of the representations, warranties, covenants and agreements of ActiveUSA, RaceGate and Merger Sub contained in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Merger and continue until the first anniversary of the Closing Date (the "Expiration Date").

ARTICLE 8

TERMINATION, AMENDMENT AND WAIVER

8.1 Termination. Except as provided in Section 8.2 below, this Agreement may be terminated and the Merger abandoned at any time prior to the Effective Time.

- (a) by mutual agreement of ActiveUSA, RaceGate and Merger Sub;
- (b) by RaceGate, Merger Sub or ActiveUSA if: (i) the Effective Time has not occurred before 5:00 p.m. (Pacific Time) on December 31, 1999 (*provided, however*, that the right to terminate this Agreement under this clause 8.1(b)(i) shall not be available to any party whose failure to fulfill any obligation hereunder has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date); (ii) there shall be a final nonappealable order of a federal or state court in effect preventing consummation of the Merger, or (iii) there shall be any statute, rule, regulation or order enacted, promulgated or issued or deemed applicable to the Merger by any governmental or regulatory authority that would make consummation of the Merger illegal;

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(c) by RaceGate if there has been a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of ActiveUSA and (i) ActiveUSA is not using its reasonable efforts to cure such breach, or has not cured such breach within ten (10) days after notice of such breach to ActiveUSA (*provided, however*, that no cure period shall be required for a breach which by its nature cannot be cured) and (ii) as a result of such breach any of the conditions set forth in Section 6.1 or 6.3, as the case may be, would not then be satisfied;

(d) by ActiveUSA if there has been a breach of any representation, warranty, covenant or agreement contained in this Agreement on the part of RaceGate or Merger Sub and (i) RaceGate is not using its reasonable efforts to cure such breach, or has not cured such breach within ten (10) days after notice of such breach to RaceGate (*provided, however*, that no cure period shall be required for a breach which by its nature cannot be cured), and (ii) as a result of such breach the conditions set forth in Section 6.1 or 6.2, as the case may be, would not then be satisfied.

8.2 Effect of Termination. In the event of a valid termination of this Agreement as provided in Section 8.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of RaceGate, Merger Sub or ActiveUSA, or their respective officers, directors or stockholders; *provided, however*, that the provisions of Sections 5.4, 5.5, 8.2, 9.6, 9.9, 9.10 and Article VII of this Agreement shall remain in full force and effect and survive any termination of this Agreement.

8.3 Amendment. Except as is otherwise required by applicable law after the stockholders of ActiveUSA and/or RaceGate approve the Merger and this Agreement, this Agreement may be amended by the parties hereto at any time by execution of an instrument in writing signed on behalf of each of the parties hereto.

8.4 Extension; Waiver. At any time prior to the Effective Time, RaceGate, Merger Sub and ActiveUSA may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations of the other party hereto, (ii) waive any inaccuracies in the representations and warranties made to such party contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements, covenants or conditions for the benefit of such party contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE 9 MISCELLANEOUS PROVISIONS

9.1 Notices. All notices, requests and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission against facsimile confirmation or mailed by prepaid first class certified mail, return receipt requested, or mailed by overnight courier prepaid, to the parties at the following addresses or facsimile numbers:

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If to RaceGate or Merger Sub to:

RaceGate.com, Inc.
1020 Prospect Street, Suite 250
La Jolla, CA 92037
Facsimile No. (858) 551-7619
Attn: Scott Kyle

with a copy to:

Brobeck, Phleger & Harrison LLP
38 Technology Drive
Irvine, CA 92618
Facsimile No.: (949) 790-6301
Attn: Richard A. Fink, Esq.

If to ActiveUSA to:

4300 Southwest 73rd Ave., Suite 107B
Miami, FL 33155
Facsimile No.: (305) 265-0906
Attn: James Woodman

with a copy to:

Akerman, Senterfitt & Eidson, P.A.
One Southeast Third Avenue
28th Floor
Miami, FL 33131
Facsimile No.: (305) 374-5095
Attn: David I. Beckett, Esq.

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 9.1, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided for in this Section 9.1, be deemed given upon facsimile confirmation, (iii) if delivered by mail in the manner described above to the address as provided for in this Section 9.1, be deemed given on the earlier of the third Business Day following mailing or upon receipt and (iv) if delivered by overnight courier to the address as provided in this Section 9.1, be deemed given on the earlier of the first business day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice is to be delivered pursuant to this Section 9.1). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other party hereto.

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9.2 Entire Agreement. This Agreement and the Exhibits and Schedules hereto, including ActiveUSA Disclosure Schedule and the RaceGate Disclosure Schedule, constitute the entire Agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, except for the Confidentiality Agreement, which shall continue in full force and effect and shall survive any termination of this Agreement or the Closing in accordance with its terms.

9.3 Further Assurances: Post-Closing Cooperation. At any time or from time to time after the Closing, the parties shall execute and deliver to the other party such other documents and instruments, provide such materials and information and take such other actions as the other party may reasonably request to consummate the transactions contemplated by this Agreement and otherwise to cause the other party to fulfill its obligations under this Agreement and the transactions contemplated hereby. Each party agrees to use commercially reasonable efforts to cause the conditions to its obligations to consummate the Merger to be satisfied.

9.4 Waiver. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

9.5 Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights, and this Agreement does not confer any such rights, upon any other person.

9.6 No Assignment: Binding Effect. Neither this Agreement nor any right, interest or obligation hereunder may be assigned (by operation of law or otherwise) by any party without the prior written consent of the other party and any attempt to do so will be void. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns.

9.7 Headings. The headings and table of contents used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

9.8 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this

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Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

9.9 Governing Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

9.10 Construction. The parties hereto agree that this Agreement is the product of negotiation between sophisticated parties and individuals, all of whom were represented by counsel, and each of whom had an opportunity to participate in and did participate in, the drafting of each provision hereof. Accordingly, ambiguities in this Agreement, if any, shall not be construed strictly or in favor of or against any party hereto but rather shall be given a fair and reasonable construction without regard to the rule of contra proferentum

9.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

9.12 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity

ARTICLE 10 DEFINITIONS

10.1 Definitions.

(a) As used in this Agreement, the following defined terms shall have the meanings indicated below

"ActiveUSA" has the meaning ascribed to it in the forepart of this Agreement

"ActiveUSA Capital Stock" means ActiveUSA Common Stock, ActiveUSA Preferred Stock and any Equity Equivalents.

"ActiveUSA Common Stock" has the meaning ascribed to it in Section 2.4.

"ActiveUSA Disclosure Schedule" means the schedules delivered to RaceGate and Merger Sub by or on behalf of ActiveUSA, containing all lists, descriptions, exceptions and other information and materials as are required to be included therein in connection with the representations and warranties made by ActiveUSA in Article 2 of this Agreement or otherwise

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"ActiveUSA Financial Statements" means the balance sheets of ActiveUSA as of each of the fiscal years from inception through December 31, 1998, respectively, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the fiscal years then ended, in each case, including the notes thereto and the unaudited balance sheet of ActiveUSA for the nine-month period ended September 30, 1999 and the unaudited profit and loss statement of ActiveUSA at September 30, 1999

"ActiveUSA Preferred Stock" has the meaning ascribed to it in Section 2.4.

"Aggregate Common Number" has the meaning ascribed to it in Section 1.6

"Aggregate Share Number" has the meaning ascribed to it in Section 1.6(a)

"Agreement" means this Merger Agreement and Plan of Reorganization, the Exhibits and the Disclosure Schedule and the certificates and instruments delivered in connection herewith, or incorporated by reference, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

"Business Day" means any day on which banks are not required or authorized to close in the City of New York.

"Certificates" has the meaning ascribed to it in Section 1.8(b).

"Closing" means the closing of the transactions contemplated by Section 1.2

"Closing Date" has the meaning ascribed to it in Section 1.2.

"Common Stock Closing Price" shall mean \$0.35 per whole share.

"Common Stock Exchange Ratio" has the meaning ascribed to it in Section 1.6.

"Delaware Code" means the Delaware General Corporation Law as presently in effect as the same may be amended.

"Dissenting Shares" has the meaning ascribed to it in Section 1.7(a).

"Effective Time" has the meaning ascribed to it in Section 1.2.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"Expiration Date" has the meaning ascribed to it in Section 7.1.

"Financial Statement Date" means September 30, 1999.

"Florida Code" means the Florida Business Corporation Act and all amendments and additions thereto.

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"GAAP" means generally accepted accounting principles in the United States, as in effect from time to time.

"Material Adverse Effect" means any adverse change or effect that, when taken individually or together with all other adverse changes and effects, is materially adverse to the business, operations, results of operations or financial condition of a party to this Agreement

"Merger" has the meaning ascribed to it in the recitals to this Agreement.

"Merger Sub" has the meaning ascribed to it in the forepart of this Agreement.

"Officer's Certificate" has the meaning ascribed to it in Section 7.2(e)(i).

"Preferred Stock Closing Price" shall mean \$1.19 per whole share.

"Preferred Stock Exchange Ratio" has the meaning ascribed to it in Section 1.6

"RaceGate" has the meaning ascribed to it in the forepart of this Agreement.

"RaceGate Capital Stock" has the meaning ascribed to it in Recital C

"RaceGate Common Stock" has the meaning ascribed to it in Section 3.4.

"RaceGate Disclosure Schedule" means descriptions, exceptions and other information and materials as are required to be included therein in connection with the representations and warranties made by the RaceGate in Article 3 of this Agreement or otherwise.

"RaceGate Financial Statements" means the balance sheets of RaceGate as of each of the fiscal years from inception through December 31, 1998, respectively, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the fiscal years then ended, in each case, including the notes thereto and the unaudited balance sheet of RaceGate for the nine-month period ended September 30, 1999 and the unaudited profit and loss statement of RaceGate at September 30, 1999

"RaceGate Preferred Stock" means RaceGate's Series C Preferred Stock.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Stockholder(s)" means each and any of stockholders of record of ActiveUSA.

"Stockholder Certificate" has the meaning ascribed to it in Section 5.1(b).

"Surviving Corporation" has the meaning ascribed to it in Section 1.1

"Termination Date" has the meaning ascribed to it in Section 8.1(b).

"Third Party Expenses" has the meaning ascribed to it in Section 5.5.

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(b) Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement as a whole and not to any particular Article, Section or other subdivision, (iv) the terms "Article" or "Section" or other subdivision refer to the specified Article, Section or other subdivision of the body of this Agreement, (v) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," and (vi) when a reference is made in this Agreement to Exhibits, such reference shall be to an Exhibit to this Agreement unless otherwise indicated. All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP. The term "party" or "parties" when used herein refer to RaceGate and Merger Sub, on the one hand, and ActiveUSA, on the other.

(c) When used herein, the phrase "to the knowledge of" any person, "to the best knowledge of" any person, "known to" any person or any similar phrase, means (i) with respect to any person who is an individual, the actual knowledge of such person, (ii) with respect to any other person, the actual knowledge of the directors and officers of such person and other individuals that have a similar position or have similar powers and duties as the officers and directors of such person, and (iii) in the case of each of (i) and (ii), the knowledge of facts that such individuals should have after due inquiry.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, RaceGate, Merger Sub and ActiveUSA have caused this Agreement to be signed by their duly authorized representatives, all as of the date first written above.

"RACEGATE"

RACEGATE.COM, INC., a Delaware corporation

By: _____
Its: _____

"MERGER SUB"

RG-ACQUISITION CORPORATION, a Delaware corporation

By: _____
Its: _____

"ACTIVEUSA"

ACTIVEUSA.COM, INC., a Florida corporation

By: 
Its: President

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IN WITNESS WHEREOF, RaceGate, Merger Sub and ActiveUSA have caused this Agreement to be signed by their duly authorized representatives, all as of the date first written above.

"RACEGATE"

RACEGATE.COM, INC., a Delaware corporation

By: Scott A. [Signature]
Its: 2 Feb

"MERGER SUB"

RG-ACQUISITION CORPORATION, a
Delaware corporation

By: Deane
Its: CEO

"ACTIVEUSA"

ACTIVEUSA.COM, INC., a Florida corporation

By: _____
 Its: _____