

MANAGEMENT EMPLOYMENT AGREEMENT

THIS MANAGEMENT EMPLOYMENT AGREEMENT (this "Agreement") is entered into by and between Allstar Systems, Inc., a Texas corporation ("Old Allstar"), and James H. Long, a resident of Sugarland, Fort Bend County, Texas ("Employee") as of the 15th day of August, 1996.

WITNESSETH:

WHEREAS, Old Allstar intends to reincorporate in Delaware by merging into a new Delaware corporation to be named Allstar Systems, Inc. ("New Allstar");

WHEREAS, upon consummation of the merger of Old Allstar into New Allstar (the "Merger"), New Allstar would succeed to the business and assets of Old Allstar, including, without limitation, Old Allstar's rights and obligations under this Agreement;

WHEREAS, the Merger would be consummated to facilitate a pending, initial registered public offering of New Allstar's common stock, par value \$.01 per share (the "Common Stock"), pursuant to applicable federal and state securities laws (the "Offering"); and

WHEREAS, in connection with the pending Merger and Offering, the parties hereto desire to memorialize the terms and conditions of the employment relationship between Employer and Employee, the term "Employer" meaning Old Allstar before the Merger and New Allstar upon and after the Merger.

NOW, THEREFORE, in consideration of the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1

TERM AND NATURE OF EMPLOYMENT

1.1 TERM OF EMPLOYMENT. Subject to the terms and conditions of this Agreement, Employer hereby agrees to employ Employee and Employee hereby accepts employment with Employer for a term beginning on the date first above written and continuing in effect until Employee's employment hereunder is terminated in accordance with Article 5 (the "Employment Period").

1.2 PRINCIPAL DUTIES. Employee's employment hereunder shall be in the capacity of President And Chief Executive Officer. In such capacity, Employee shall perform such duties as are prescribed for such office in Employer's Bylaws and as may from time to time be prescribed by Employer's Board of Directors or management more senior than Employee and which are reasonably related or incidental to the capacity in which Employee serves Employer. Employee shall perform diligently and to the best of his ability his duties hereunder in accordance with any lawful instructions, rules, regulations or policies made or adopted by Employer's Board of

Directors, including those applicable to Employer's employees generally. During the Employment Period, Employee shall devote his full time, and best efforts and skills to the business and interests of Employer during Employer's normal working hours, do his utmost to further enhance and develop Employer's best interests and welfare, and endeavor to improve his ability and knowledge of Employer's business, particularly as it relates to his duties hereunder, in an effort to increase the value of his services for the mutual benefit of the parties hereto. At all times during the term of this Agreement, Employee shall project a positive and professional image on behalf of Employer.

1.3 ACCOUNTING AND FIDELITY BOND. Employee shall truthfully and accurately make, maintain and preserve all records and reports that Employer may from time to time request or require. Employee shall fully account for all money, records, goods, wares and merchandise or other property belonging to Employer or its "Affiliates" (as that term is defined in Rule 405 under the Securities Act of 1933, as amended) of which he may have custody and will pay over and deliver the same promptly whenever and however he may be directed to do so. Employee also shall make available to Employer any and all information of which he has knowledge that is relevant to Employer's business, and will make all suggestions and recommendations which he feels will be of benefit to Employer. Employee shall, upon Employer's written request, furnish all information and take any other steps necessary to enable Employer to obtain a fidelity bond conditioned on the rendering of a true account by Employee of all moneys, goods or other property which may come into the custody, charge or possession of Employee during the Employment Period. The surety company issuing the bond and the amount of the bond must be acceptable to Employer in its sole discretion. Employer shall pay all premiums on any such bond.

1.4 EMPLOYEE DISHONESTY. If at any time Employee becomes aware or believes that any other employee of the Employer is or appears to be (i) removing or using the property or funds of Employer or its Affiliates for the benefit of anyone other than Employer or its Affiliates, or (ii) providing Confidential Information (as defined in Section 3.2) to any Person (defined below) not authorized by Employer to receive such Confidential Information (any such employee described in (i) or (ii) being referred to as a "Dishonest Employee"), Employee shall immediately communicate his knowledge or belief as to such matters to Employer's Board of Directors. As used in this Agreement, "Person" means any individual or corporation, company, partnership, joint venture, firm, syndicate, trust, estate, association, business, organization, governmental authority or any other incorporated or unincorporated entity.

1.5 FIDUCIARY DUTIES OF EMPLOYEE. The obligations of Employee expressed in this Agreement shall be in addition to any obligations imposed upon Employee as an employee or officer of Employer or its Affiliates by the law of the State of Texas applicable to employees, the General Corporation Law of the State of Delaware applicable to corporate officers while New Allstar is Employer, the Texas Business Corporation Act applicable to corporate officers while Old Allstar is Employer, or federal law applicable to employees or corporate officers, including all such Texas, Delaware or federal laws which limit the activities of any employee or corporate officer to those which would not threaten, impair or usurp the goodwill, trade secrets, intellectual property, business opportunities, or business relations of his employer.

1.6 PERFORMANCE. The execution, delivery and performance of this Agreement will not breach any contract or other obligation of Employee, and Employee knows of no circumstances which will prevent his performance hereunder. Employee shall perform his duties hereunder at the principal executive offices of Employer in Houston, Texas, at such other place where Employer's principal executive offices subsequently may be located, or at any other place as may be directed by Employer in order to enable Employee to discharge his duties hereunder; provided, however, that Employee shall have no obligation to permanently relocate to any location which is more than 90 miles from said offices. Employee acknowledges and agrees that Employer may require Employee to travel and render services in different locations from time to time incident to the performance of his duties hereunder.

ARTICLE 2 COMPENSATION

For and in consideration of the performance by Employee of the services, terms, conditions, covenants and agreements contained in this Agreement, Employer shall pay to Employee at the times, in the amounts and in the manner herein provided, the following:

2.1 BASE COMPENSATION. As the principal consideration for Employee's performance of his duties hereunder during the Employment Period, Employee shall be entitled to receive as base compensation from Employer a salary of not less than \$12,500 per month (the "Base Salary"), which shall be prorated for any partial Employment Period and payable in the manner and on the timetable in which Employer's payroll is customarily handled, or at such more frequent intervals as Employer and Employee may hereafter agree to from time to time. No overtime compensation shall be payable under this Agreement. Employer's Board of Directors or a duly authorized committee thereof shall review Employee's performance at least annually and shall make any adjustments to Employee's compensation which it deems, in its sole discretion, appropriate, provided that at no time during the Employment Period shall Employee's compensation be adjusted to an amount below the Base Salary in effect immediately before any such adjustment. Employer shall be entitled to withhold from all amounts of compensation payable under this Agreement such amounts on account of payroll taxes and similar matters as are required by any applicable law, rule, or regulation of any appropriate governmental authority. Such compensation shall continue to be paid during any period of physical or mental incapacity unless and until Employee's employment is terminated as herein provided.

2.2 CASH PAYMENT. In addition to the other consideration being given by Employer to Employee under this Agreement, as independent and valuable consideration for Employee's performance of his obligations under Articles 3 and 4 of this Agreement, Old Allstar shall pay Employee \$2,500 upon execution of this Agreement by both parties hereto. Employee hereby acknowledges and agrees that such payment is reasonable, adequate and valuable independent consideration to support the performance of his obligations under Articles 3 and 4 of this Agreement (whether or not his employment is terminated, with or without Cause or Employee Cause as defined below), and that no other or additional consideration is necessary to support Employee's obligations under such Articles.

2.3 BONUSES AND BENEFITS. In addition to the Base Salary and other consideration described in Sections 2.1 and 2.2, Employer shall provide Employee with the following during the Employment Period:

- (a) any bonus if, when and based upon or subject to such terms and conditions as Employer's Board of Directors, in its sole and absolute discretion, may determine to grant to Employee;
- (b) participation in any present or future disability, medical, health, dental, insurance, pension, profit-sharing, thrift, and retirement plans on the same terms generally available to all of Employer's employees generally; and
- (c) payment or reimbursement, as the case may be, of substantiated reasonable business expenses (within limits that may be established by Employer's Board of Directors or management more senior than Employee) incurred in connection with the performance of his duties hereunder, such expense payment or reimbursement being subject to, and made in accordance with Employer's policies and procedures on employee expense payment or reimbursement in effect from time to time.

2.4 VACATION. During the Employment Period, Employee shall accrue paid vacation time in such amounts and at such times as determined by Employer's Board of Directors, in its sole discretion; provided, however, that the minimum amount of paid vacation to which Employee shall be entitled shall be no less than that to which he is entitled as an Old Allstar employee at the time of the Merger. Unless Employer's Board of Directors determines otherwise, no unused vacation time shall be accrued and added to the vacation time for any succeeding year and there shall be no compensation payable in lieu thereof.

ARTICLE 3
CONFIDENTIAL INFORMATION; PROPERTY RIGHTS

3.1 NON-DISCLOSURE. Obligation of Employee. For purposes of this Article 3, all references to Employer shall mean and include its Affiliates. To the extent necessary to perform his duties hereunder, Employer will give Employee access to pertinent Confidential Information (defined below) of Employer. In addition, because of the nature of Employee's duties and responsibilities to Employer, Employee from time to time will have access or be exposed to certain Confidential Information of Employer. Employee hereby acknowledges, understands and agrees that all Confidential Information, whether developed by Employee or others employed by or in any way associated with Employee or Employer, is the exclusive and confidential property of Employer and shall be at all times regarded? treated and protected as such in accordance with this Agreement. Failure to mark any writing confidential shall not affect the confidential nature of such writing or the information contained therein.

3.2 DEFINITION OF CONFIDENTIAL INFORMATION. "Confidential Information" shall mean information, whether or not originated by Employee, which is used in Employer's business and (1) is proprietary to, about or created by Employer; (2) gives Employer some competitive business advantage, the opportunity of obtaining such advantage, or the disclosure of which

might be detrimental to the interests of Employer; (3) is not typically disclosed by Employer to, or known by, Persons who are not employed by Employer; or (4) is designated as Confidential Information by Employer, known by the Employee to be considered confidential by Employer, or from all the relevant circumstances considered confidential by Employer, or from all the relevant circumstances should reasonably be assumed by Employee to be confidential and proprietary to Employer. Such Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing or designated as confidential):

- (a) Work product resulting from or related to work or projects performed or to be performed for Employer or for customers or clients of Employer, including but not limited to data bases, draft and other non-public written documents, the interim and final lines of inquiry, hypotheses, research and conclusions related thereto and the methods, processes, procedures, analyses, techniques and audits used in connection therewith;
- (b) Computer software of any type or form in any stage of actual or anticipated research and development, including but not limited to programs and program modules, routines and subroutines, processes, algorithms, design concepts, design specifications (design notes, annotations, documentation, flowcharts; coding sheets, and the like), source codes, object codes and load modules, programming, program patches and system designs;
- (c) Information relating to Employer's proprietary rights prior to any public disclosure thereof, including but not limited to the nature of the proprietary rights, production data, technical and engineering data, test data and test results, the status and details of research and development of products and services, and information regarding acquiring, protecting, enforcing and licensing proprietary rights (including, without limitation, patents, copyrights and trade secrets);
- (d) Internal Employer personnel and financial information, lists or other documents which identify vendor names and: other vendor information (including vendor characteristics, services and agreements), information concerning the identification and nature of goods or services provided by vendors, purchasing and internal cost information, internal service and operational manuals, and the manner and methods of conducting Employer's business;
- (e) Business, marketing and development plans, price and price discounting policies and practices, price and cost data, price and fee amounts, pricing and billing policies, quoting procedures, marketing techniques and methods of obtaining business, forecasts and forecast assumptions and volumes, and future plans and potential strategies of Employer which have been or are being discussed;

- (f) Names, lists or compilations of customers or clients and their representatives, contracts and their contents and parties, customer or client services, and the type, quantity, specifications and contents of products and services purchased, leased, licensed or received by customers or clients of Employer;
- (g) Information provided to Employer by any actual or potential customer, client, government agency, or other third party (including businesses, consultants and other entities and individuals); and
- (h) Contracts with, or developed by Employer for use with, customers, agents or vendors of or to Employer, including, without limitation, the terms and conditions thereof.

3.3 EXCLUSIONS FROM CONFIDENTIAL INFORMATION. "Confidential Information" shall not include information publicly known other than as a result of a disclosure by Employee in breach of this Article 3, and the general skills and experience gained during Employee's work with Employer which Employee reasonably could have been expected to acquire in similar work with another company. The phrase "publicly known" shall mean readily accessible to the public in a written publication and shall not include information which is only available by a substantial searching of the published literature or information the substance of which must be pieced together from a number of different publications and sources, or by focused searches of literature guided by Confidential Information. The burden of proving that information or skills and experience are not Confidential Information shall be on the party asserting such exclusion.

3.4 COVENANTS OF EMPLOYEE. As a consequence of Employee's acquisition or anticipated acquisition of Confidential Information, Employee will occupy a position of trust and confidence with respect to Employer's affairs and business. Employee acknowledges that Employer's Confidential Information are valuable, special and unique assets of Employer, which Employer uses in its business to obtain competitive advantage over the Employer's competitors which do not know or use such information. In view of the foregoing and of the consideration being provided to Employee, Employee agrees that it is reasonable and necessary that Employee make the following covenants. Employee does hereby covenant and agree as follows:

- (a) At any time during or after the termination of the Employment Period, Employee will not disclose Confidential Information to any Person, either inside or outside of Employer, other than as necessary in carrying out his duties on behalf of Employer, without obtaining Employer's prior written consent (unless such disclosure is compelled pursuant to court order or subpoena, and at which time Employee gives prompt prior notice of such proceedings to Employer), and Employee will take all reasonable precautions to prevent inadvertent disclosure of such Confidential Information. This prohibition against Employee's disclosure of Confidential Information includes, but is not limited to, disclosing the fact that any similarity exists between the Confidential Information and information independently developed by another Person, and Employee

understands that such similarity does not excuse Employee from abiding by his covenants or other obligations under this Agreement.

- (b) At any time during or after the termination of the Employment Period, Employee will not use, copy or transfer Confidential Information other than as necessary in carrying out his duties on behalf of Employer, without first obtaining Employer's prior written consent, and will take all reasonable precautions to prevent inadvertent use, copying or transfer of such Confidential Information. This prohibition against Employee's use, copying, or transfer of Confidential Information includes, but is not limited to, selling, licensing or otherwise exploiting, directly or indirectly, any products or services (including data bases, written documents and software in any form) which embody or are derived from Confidential Information, or exercising judgment in performing analyses based upon knowledge of Confidential Information.

3.5 RETURN OF CONFIDENTIAL MATERIAL. Employee shall turn over to Employer all originals and copies of materials containing Confidential Information in the Employee's possession, custody, or control upon request or upon termination of the Employee's employment with Employer. Employee agrees to attend a termination interview with Employer's Board of Directors or a committee thereof to confirm turnover of such materials and to discuss any questions the undersigned may have about his continuing obligations under this Agreement.

3.6 INVENTIONS. Any and all inventions, products, discoveries, improvements, copyrightable works, trademarks, servicemarks, ideas, processes, formulae, methods, designs, techniques or trade secrets (collectively hereinafter referred to as "Inventions") made, developed, conceived or resulting from work performed by Employee (alone or in conjunction with others, during regular hours of work or otherwise) while he is employed by Employer and which may be directly or indirectly useful in, or related to, the business of Employer (including, without limitation, research and development activities of Employer), or which are made using any equipment, facilities, Confidential Information, materials, labor, money, time or other resources of Employer, shall be promptly disclosed by Employee to Employer's Board of Directors or executive management more senior than Employee, shall be deemed Confidential Information for purposes of this Agreement, and shall be Employer's exclusive property. Employee shall, upon Employer's request, execute any documents and perform all such acts and things which are necessary or advisable in the opinion of Employer to cause issuance of patents to, or otherwise obtain recorded protection of rights to intellectual property for, Employer with respect to Inventions that are to be Employer's exclusive property under this Section 3.6, or to transfer to and vest in Employer full and exclusive right, title and interest in and to such Inventions; provided, however, that the expense of securing any such protection of right to Inventions shall be borne by Employer. In addition, Employee shall, at Employer's expense, assist Employer in any proper manner in enforcing any Inventions which are to be or become Employer's exclusive property hereunder against infringement by others. Employee shall keep confidential and will hold for Employer's sole use and benefit any Invention that is to be Employer's exclusive property under this Section 3.6 for which full recorded protection of right has not been or cannot be obtained.

3.7 SURVIVAL OF COVENANTS. The covenants and agreements of Employee set forth in this Article 3 are of a continuing nature and shall survive the expiration, termination or cancellation of this Agreement and Employee's employment with Employer regardless of the reason of such termination or cancellation.

ARTICLE 4
COVENANT NOT TO COMPETE; NON-INTERFERENCE

4.1 PROHIBITED EMPLOYEE ACTIVITIES. Employee agrees that except in the ordinary course of his employment hereunder during the Employment Period, Employee shall not during the Employment Period and subject to Section 4.2, for a period of 18 months thereafter (all references to Employer shall mean and include its Affiliates):

- (a) directly or indirectly, engage or invest in, own, manage, operate, control or participate in the ownership, management, operation or control of, be employed by, associated or in any manner connected with, or render services or advice to, any Competing Business (as defined below) provided, however, that the Employee may invest in the securities of any enterprise (but without otherwise participating in the activities of such enterprise) if such securities are listed on any United States national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934, provided that Employee and his Affiliates combined do not purchase or hold (directly or indirectly) an aggregate equity interest of more than five percent (5%) in any such enterprise; or
- (b) directly or indirectly, either as principal, agent, independent contractor, consultant, director, officer, employee, employer, advisor (whether paid or unpaid), stockholder, partner or in any other individual or representative capacity whatsoever, either for his own benefit or for the benefit of any other Person solicit, divert or take away, any Persons who (1) are customers or clients of Employer or (2) at any time during the 18-month period before the date of Employee's termination of employment with Employer, were customers or clients of Employer.

"COMPETING BUSINESS" means any Person or any Affiliate of any Person which at any time in the Employment Period or for a period of 18 months thereafter engages in the business of reselling to end-users computers, computer-related products, computer-related services, telephone systems or telephone-related services (in each case insofar, but only insofar, as such business is reasonably competitive with that of Employer during the same period) in or into any county or parish in which Employer has a sales or executive office and counties or parishes adjacent thereto.

4.2 POST-EMPLOYMENT. During the 18 months after termination of Employee's employment with Employer, Employee shall be bound by Section 4.1 under any of the following circumstances:

- (a) if Employee is terminated by Employer for Cause (as defined in Section 5.1),
- (b) if Employee resigns for no reason or any reason except Employee Cause (as defined in Section 5.2), or
- (c) if within 10 days after the effective date of such termination, Employer delivers written notice to Employee that Employer elects to continue to pay Employee on a monthly basis during such 18-month period an amount equal to the greater of (i) 75% of his Base Salary as of the termination date or (ii) 75% of the quotient of (y) the sum of his Base Salary and cash bonus paid in respect of the 12 months of Employer's fiscal year ended immediately before the termination date, divided by (z) 12. Any such payment which Employer elects to make shall be payable in the manner and on the timetable specified in Section 2.1 or sooner at Employer's election, including in one or more advance lump sum payments.

4.3 NON-SOLICITATION. Employee agrees that during the Employment Period and for a period of 18 months thereafter Employee shall not, directly or indirectly, either as principal, agent, independent contractor, consultant, director, officer, employee, employer, advisor (whether paid or unpaid), stockholder, partner or in any other individual or representative capacity whatsoever, either for his own benefit or for the benefit of any other Person, either (a) hire, attempt to hire, contact or solicit with respect to hiring any employee of Employer or its Affiliates, (b) induce or otherwise counsel, advise or encourage any employee of Employer or its Affiliates to leave the employment of Employer or any of its Affiliates, or (c) induce any distributor, vendor, representative or agent of Employer or its Affiliates to terminate or modify its relationship with Employer or any of its Affiliates.

4.4 NECESSITY AND REASONABLENESS OF ARTICLE 4. Employee hereby specifically acknowledges, agrees, and represents to Employer as a material inducement for Employer to enter into this Agreement (all references to Employer shall mean and include its Affiliates):

- (a) Employer has expended and will continue to expend substantial time, money and effort in developing (i) its business in which the designs, plans, manuals and specifications are valuable trade secrets, and (ii) a valuable list of customers, clients and agents, and information about their technical problems and needs, purchasing habits, idiosyncracies and internal purchasing procedures;
- (b) Employee has been and will be personally entrusted with and exposed to the Confidential Information of Employer;
- (c) Employer, during the term of this Agreement and after its termination, will be engaged in its highly competitive business in which many firms, including Employer, compete;
- (d) Employer will, during the course of Employee's employment by Employer, provide Employee with valuable training and experience;

- (e) Employer, pursuant to acquiring certain patents, copyrights, technology and associated trade secrets and know-how, will further develop its business;
- (f) Employee could, after having access to Employer's Confidential Information or after receiving further training by and experience with Employer, and after obtaining Confidential Information, become a competitor;
- (g) Employer will suffer great loss and irreparable harm if Employee terminates his employment and enters directly or indirectly, into competition with Employer;
- (h) the temporal and other restrictions contained in this Article 4 are in all respects reasonable and necessary to protect the business goodwill, trade secrets, prospects and other business interests of Employer;
- (i) the enforcement of this Agreement, particularly this Article 4, will not work an undue or unfair hardship on Employee or otherwise be oppressive to him; and
- (j) the enforcement of this Agreement in general, and of this Article 4 in particular, will neither deprive the public of needed goods or services nor otherwise be injurious to the public.

4.5 SURVIVAL OF COVENANTS. The covenants and agreements of Employee set forth in this Article 4 are of a continuing nature and shall survive the expiration, termination or cancellation of this Agreement and Employee's employment with Employer regardless of the reason for such termination or cancellation.

ARTICLE 5 TERMINATION

5.1 Termination by Employer for Cause and Certain Other Events.

- (a) Notwithstanding any other provision of this Agreement, at any time during the Employment Period, this Agreement and Employee's employment hereunder shall terminate upon his death, and Employer shall have the right, in its sole and absolute discretion, to terminate this Agreement and Employee's employment at any time by giving him written notice of such termination (i) for Cause (as defined below), (ii) if Employee shall fail to qualify for the fidelity bond described in Section 1.3 within sixty (60) days from the date of the Employer's written request thereunder, or (iii) if Employee shall suffer a Disability (as defined below).
- (b) "Cause" shall mean any of the following events:

(1) Employee's conviction or the entry of a plea of guilty or nolo contendere or equivalent plea in a court of competent jurisdiction of any crime or offense involving moral turpitude or any felony;

(2) Employee's commission of an act of fraud upon Employer, any of its Affiliates or any customers or suppliers of Employer or any of its Affiliates;

(3) Employee's gross negligence or willful misconduct in the performance of his duties and services required of him under this Agreement, or Employee's willful misappropriation of funds or property of Employer or any of its Affiliates;

(4) Employee's knowing engagement, without prior written approval by Employer's Board of Directors, in any conflict of interest with Employer or any of its Affiliates, or in any other activity which might result in substantial injury to Employer's business or financial condition;

(5) Employee's failure or refusal to perform his duties under, or other breach by Employee of Article 1 of this Agreement which remains uncorrected 30 days after Employer has given written notice of such breach to Employee describing such breach in reasonable detail;

(6) Employee's breach of Section 1.4 or Articles 3 or 4 of this Agreement; or

(7) Employee's use of alcohol or drugs which, in the reasonable opinion of Employer, substantially impairs the performance of Employee's duties.

(c) "DISABILITY" shall mean any mental or physical illness, impairment or condition which, in the reasonable opinion of Employer: (i) is of a nature that cannot reasonably be controlled by Employee, (ii) significantly inhibits or impedes Employee's ability to perform the services required under this Agreement, and (iii) is likely to be either long-lasting in duration or recurring from time to time.

5.2 TERMINATION BY EMPLOYEE. Notwithstanding any other provision of this Agreement, at any time during the Employment Period, Employee shall have the right to terminate his employment under this Agreement by giving written notice of such termination at least 30 days prior to its effective date, for any of the following reasons, provided that Employee is not in breach of this Agreement: (a) the failure of Employer to elect or appoint Employee to the office described in Section 1.2; or (b) a material breach by Employer of any provision of this Agreement which remains uncorrected for 30 days following written notice to Employer of such breach; which notice shall describe in reasonable detail each event or condition considered to be in breach of this Agreement. Employee's rightful termination under this Section 5.2 is referred to herein as "Employee Cause."

5.3 TERMINATION BY EITHER PARTY. In addition to termination under Sections 5.1 or 5.2, Employer or Employee may at any time terminate Employee's employment hereunder

without regard to any reason for such termination. Each of Employer's and Employee's option to terminate employment under this Agreement pursuant to this Section 5.3 shall be exercised by delivery of a written notice to Employee or Employer, as applicable, specifying the effective date of such termination which in no event shall be sooner than expiration of thirty (30) calendar days following delivery of such written notice.

5.4 Effect of Termination.

- (a) Upon termination of Employee's employment with Employer, Employee shall have no right to receive any compensation or benefits for any period after the effective date of such termination ("Effective Date"), or for any period before the Effective Date which have not been earned or vested as of the Effective Date. If Employee is employed hereunder during a period for which a bonus contemplated by Section 2.3(a) is payable, such bonus shall, for purposes of this Agreement, be deemed vested as of the Effective Date in respect of that portion of such period during which Employee is so employed; provided, however, that no such vesting shall occur and no such bonus shall be payable if Employer terminates Employee for Cause. If Employer elects to pay Employee under Section 4.2(c), the amounts payable thereunder shall, for purposes of this Agreement, be deemed vested as of the Effective Date.
- (b) Employer's right of termination shall be in addition to and shall not affect Employer's rights and remedies under Articles 3 and 4 and Section 6.1 of this Agreement, and such rights and remedies shall survive termination of Employee's employment with Employer. Articles 3, 4 and 6 shall survive termination of this Agreement and Employee's employment with Employer.

ARTICLE 6 MISCELLANEOUS

6.1 INJUNCTIVE RELIEF. Because of the unique nature of Employer's assets and business, the business to be conducted by Employer and further developed by Employer therewith, and the confidential and proprietary information relating thereto, including the Confidential Information, Employee acknowledges, understands and agrees that Employer will suffer immediate and irreparable harm if Employee fails to comply with any of his obligations under Articles 3 or 4 of this Agreement, and that monetary damages will be inadequate to compensate Employer for such breach. Accordingly, Employee agrees that Employer shall, in addition to any other remedies available to it at law or in equity, be entitled to temporary, preliminary, and permanent injunctive relief and specific performance to enforce the terms of Articles 3 or 4 without the necessity of proving inadequacy of legal remedies or irreparable harm, or posting bond. This Section 6.1 does not, and shall not be construed to constitute a waiver of the parties rights and obligations under Section 6.9 with respect to arbitration of disputes other than those relating to the enforcement of Employee's confidentiality, non-competition and non-solicitation covenants of Articles 3 and 4.

6.2 INDEMNIFICATION. Employer shall indemnify Employee in the same manner and to the same extent that Employer is obligated to indemnify its directors pursuant to Employer's Certificate of Incorporation and Bylaws, as each may be amended or restated from time to time.

6.3 ACTION BY AND CONSENT OF EMPLOYER. All rights and remedies of Employer hereunder shall be exercised by the Employer solely by and through the Employer's Board of Directors or a committee thereof.

6.4 NOTICES. Any notice, instruction, authorization, request, demand or waiver required hereunder shall be in writing, and shall be delivered either by personal delivery, by telegram, telex, telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the parties hereto at the principal offices of Employer at the address indicated beneath its signature on the execution page of this Agreement, and also to Employee at his home address indicated beneath his signature on the execution page of this Agreement, or at such other address and number as a party shall have previously designated by written notice given to the other party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications sent by facsimile means); and when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by express courier or delivery service, or sent by certified or registered mail, return receipt requested.

6.5 AMENDMENT AND WAIVER. This Agreement may be amended, modified or superseded only by written instrument executed by all parties hereto. Any waiver of any terms or conditions hereof shall be made only by a written instrument executed and delivered by the party waiving compliance. Any waiver granted by Employer shall be effective only if executed and delivered by a duly authorized executive officer of Employer other than Employee. The failure of any party at any time to require performance of any terms or conditions hereof shall in no manner effect the right to enforce the same. No waiver by any party of any terms or conditions, or the breach of any terms or conditions contained in this Agreement in one or more instances shall be deemed to be or construed as a further or continuing waiver of any such term or condition or breach or a waiver of any other term, condition or breach of any other term or condition.

6.6 SUCCESSORS AND ASSIGNS. This Agreement shall bind, be enforceable by, and inure to the benefit of, the parties hereto, but this Agreement and the rights and obligations hereunder shall not be assignable or delegable by any party; provided, however, that this Agreement and Employer's rights and obligations hereunder may be assigned or delegated by it to any of its Affiliates and shall be binding upon and inure to the benefit of, any of its successors or permitted assigns, but such assignment or delegation by Employer shall not relieve it of any of its obligations hereunder.

6.7 DEFINITIONS, GENDER AND CERTAIN REFERENCES. As used in this Agreement, each parenthetically or quoted capitalized term in the introduction, recitals and other Sections of this Agreement shall have the meaning so ascribed to it. Unless otherwise specified, all references herein to days, weeks, months or years shall be to calendar days, weeks, months or years. Whenever the context requires, the gender of all words used herein shall include the masculine,

feminine and neuter, and the number of all words shall include the singular and plural. References to Articles or Sections are to Articles or Sections of this Agreement unless otherwise specified. The headings and captions used in this Agreement are solely for convenient reference and shall not affect the meaning or interpretation of any article, section or paragraph herein, or this Agreement. The terms "hereof," "herein" or "hereunder" shall refer to this Agreement as a whole and not to any particular article, section or paragraph. The terms "including" or "include" are used herein in an illustrative sense and not to limit a more general statement. When computing time periods described by a number of days before or after a stated date or event, the stated date or date on which the specified event occurs shall not be counted and the last day of the period shall be counted.

6.8 GOVERNING LAW. This Agreement has been executed and delivered in Texas. The validity, interpretation, construction, and performance of this Agreement shall be governed by the internal law, and not the law of conflicts, of the State of Texas, except to the extent that the General Corporation Law of the State of Delaware or federal law is explicitly made applicable by Section 1.5. Each party hereto hereby acknowledges and agrees that it has had the opportunity to consult with its own legal counsel in connection with the negotiation of this Agreement, and that it has bargaining power equal to that of the other party hereto in connection with the negotiation, execution and delivery of this Agreement. Accordingly, the parties hereto agree that the rule of contract construction that an agreement shall be construed against the drafter shall have no application in the construction or interpretation of this Agreement.

6.9 DISPUTE RESOLUTION; SEVERABILITY; JUDICIAL MODIFICATION. Except as otherwise contemplated by Section 6.1 (enforcement of Articles 3 and 4), the parties expressly intend, desire and agree that any dispute arising out of, or in connection with any term or provision of this Agreement or Employee's employment with Employer shall be resolved by binding arbitration in Houston, Texas in accordance with the Commercial Rules of the American Arbitration Association then in effect; that judgment on the award rendered by the arbitrators) may be entered in any court of competent jurisdiction; and that if any such dispute is pending in any court, the parties agree to move that the court refer the matter to such arbitration. The location of such arbitration in Houston, Texas shall be selected by Employer in its sole discretion. All costs and expenses, including attorneys' fees, relating to the resolution of any such dispute shall be borne by the party incurring such costs and expenses. If any term, provision, covenant, or restriction of this Agreement (including any arbitration provision of this Section 6.9) is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement and the other terms, provisions, covenants and restrictions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the parties that they would have executed this Agreement had the terms, provisions, covenants and restrictions which may be hereafter declared invalid, void, or unenforceable not initially been included herein. If a court of competent jurisdiction determines that the length of time or any other restriction or portion thereof, set forth in Articles 3 or 4 is overly restrictive and unenforceable, the court may reduce or modify such restrictions to those which it deems reasonable and enforceable under the circumstances, and the parties agree to request the court to exercise such power, and, as so reduced or modified, the parties hereto agree that the restrictions of Article 3 and 4 shall remain in full force and effect, shall be enforceable and shall be enforced.

6.10 EXPENSES. Each party hereto shall pay all of its respective fees and expenses of attorneys, accountants and other Persons employed by it in connection with the resolution of any dispute between the parties hereto arising out of or relating to this Agreement, except for any indemnification obligations of Employer pursuant to Section 6.2.

6.11 ENTIRE AGREEMENT. No agreements or representations, oral or otherwise, express or implied, have been made by any party hereto with respect to the subject matter hereof that are not set forth expressly in this Agreement. This Agreement supersedes and cancels any prior agreement, arrangement or understanding entered into between Employer and Employee relating to the subject matter hereof, except any agreement entered into pursuant to New Allstar's 1996 Incentive Stock Plan as contemplated by Section 2.2 of this Agreement.

6.12 COUNTERPARTS. The parties may execute this Agreement in any number of counterparts, each of which is an original, but all of which together constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

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

EMPLOYER:

ALLSTAR SYSTEMS, INC.

By: /s/ Donald R. Chadwick

Donald R. Chadwick, Chief
Financial Officer

Address: 6401 Southwest Freeway
Houston TX 77074

Telecopy No. 713-2049

Attention: Board of Directors

EMPLOYEE:

/s/ James H. Long

James H. Long

Address: 910 Alkire
Sugarland, TX 77478

Telecopy No. 713-795-2036

[ACKNOWLEDGMENTS FOLLOW]

EMPLOYER ACKNOWLEDGMENT

STATE OF TEXAS Section
 Section
COUNTY OF HARRIS Section

Before me, the undersigned authority, on this date personally appeared Donald R Chadwick, Chief Financial Officer of Allstar Systems, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal this 15th day of August, 1996.

 CHERYL TREDER
 NOTARY PUBLIC
 State of Texas
 Comm. Exp. 04-02-2000

 /s/ Cheryl Treder

 Notary Public in and for
 The State Texas

My Commission Expires:_____

EMPLOYEE ACKNOWLEDGMENT

STATE OF TEXAS Section
 Section
COUNTY OF HARRIS Section

Before me, the undersigned authority, on this date personally appeared James H. Long, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal this 15th day of August, 1996.

 CHERYL TREDER
 NOTARY PUBLIC
 State of Texas
 Comm. Exp. 04-02-2000

 /s/ Cheryl Treder

 Notary Public in and for
 The State Texas

My Commission Expires:_____

CISCO SYSTEMS
SYSTEMS INTEGRATOR AGREEMENT-UNITED STATES

This U.S. Systems Integrator Agreement (the "Agreement") by and between Cisco Systems, Inc., ("Cisco") a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, California, 95134, and Internetwork Experts, Inc. ("Integrator"), a Texas corporation having its principal place of business at 15960 Midway Road, Suite 101, Addison, Texas 75001 is entered into as of the date last written below ("the Effective Date").

This Agreement consists of this signature page and the following attachments, which are incorporated in this Agreement by this reference:

- 1. Systems Integrator Agreement Terms and Conditions
- 2. EXHIBIT A: Integrator Profile
- 3. EXHIBIT B: Discount Schedule
- 4. EXHIBIT C: Support
- 5. EXHIBIT D: Networked Commerce Attachment
- 8. EXHIBIT F: Special Software License Terms
- 9. EXHIBIT S: Software License Agreement

This Agreement is the complete agreement between the parties hereto concerning the subject matter of this Agreement and replaces any prior oral or written communications between the parties. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified herein. This Agreement may only be modified by a written document executed by the parties hereto. Any orders accepted or Products delivered by Cisco after the date this Agreement is signed by Integrator but before the Effective Date, shall upon the Effective Date be deemed covered by the provisions of this Agreement, except for any deviations in price.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed. Each party warrants and represents that its respective signatories whose signatures appear below have been and are on the date of signature duly authorized to execute this Agreement.

Internetwork Experts, Inc.

("Integrator")

CISCO SYSTEMS, INC. ("CISCO")

/s/ Paul Klotz

Authorized Signature

/s/ Rick Timmins

Authorized Signature

Paul Klotz

Name

Rick Timmins, VP WW Sales/Finance

Name

November 2, 2001

Date

November 13, 2001

Date

Added Value is the non-Cisco component portion of Integrator's total solution, which Integrator provides to End User. Examples of Added Value are pre- and post-sales network design, configuration, trouble-shooting, and support and the sale of complementary products and services that comprise a significant portion of the total revenues received by Integrator from an End User of Cisco Products. Integrator acknowledges that telesales, catalog sales, and sales over the Internet do not include Added Value if inbound communications from the prospective End User purchaser were prompted by something other than a face-to-face interaction between Integrator's sales representative and such prospective End User. Integrator further acknowledges that providing financing options is not considered Added Value.

An Approved Source means (a) Cisco or (b) a distributor that is authorized by Cisco to redistribute Products and Services within the Territory to Integrator.

CCO is Cisco's suite of on-line services and information at <http://www.cisco.com>.

Cisco Certified Internetworking Engineer ("CCIE") is the status granted to Integrator employees who successfully complete the then-current CCIE Program offered by Cisco.

Documentation is user manuals, training materials, Product descriptions and specifications, technical manuals, license agreements, supporting materials and other printed information relating to Products and/or Services offered by Cisco, whether distributed in print, electronic, CD-ROM or video format.

End User is the final purchaser or licensee which has acquired Products or Services for its own internal use and not for resale, remarketing or distribution. An entity which performs stocking, sparing or warehousing activities for third parties or procures Cisco Services or Software for delivery to third parties, is not an End User.

Hardware is the tangible product made available to Integrator.

Internal Use is any use of a Product or Service which is outside the definition of Resale provided below.

Price List is Cisco's published global price list.

Product means, individually or collectively as appropriate, Hardware, licensed Software, Documentation, developed products, supplies, accessories, and other commodities related to any of the foregoing, listed on the then current Price List.

Purchase Order is a written or electronic order from Integrator to Cisco for Hardware, Software or support services therefor to be purchased, licensed or provided under this Agreement.

Resale is any of the following sales or dispositions of a Product or Service: (a) transfer of title (or, for Software, a license conferring the right to use the Software, and, for Services, the entitlement to receive such Services) to the End User of such Product or Service; (b) transfer of title (or, for Software, a license conferring the right to use the Software, and, for Services, the entitlement to receive such Services) to a financial intermediary such as a leasing company, even if such leasing company is affiliated with Integrator, where the Product or Service is used by an unaffiliated End User; or (c) retention of title (or, for Software, a license conferring the right to use the Software,

and, for Services, the entitlement to receive such Services) by Integrator, but only where the Product or Service is deployed (including in connection with hosting, outsourcing or provisioned services offered by Integrator) for the use of End Users who are not affiliated with Integrator and who contract with Integrator for the provision of such services. In no event shall the term Resale include use of a Product or Service for the provision of network services to the general public. The verb "Resell" means to engage in Resale. For Special License Software, the transfer of a license conferring the right to use such Software means a Sublicense.

Sales Expert is the status that is granted to Integrator employees who successfully complete the then-current Sales Expert training curriculum offered by Cisco.

Services means any maintenance, or technical support and any other services performed or to be performed by Cisco, set forth in this Agreement or the Exhibits hereto.

Software the machine readable (object code) version of the computer programs listed from time to time on the Price List and made available by Cisco for license by Integrator, and any copies, updates to, or upgrades thereof.

Special License Terms are the terms and conditions set forth on Exhibit F with respect to the Special License Software described therein, or other terms and conditions applicable to other Special License Software to which Integrator may be asked to provide assent, electronically or in writing, prior to Cisco providing such Special License Software to Integrator.

Special License Software is Software, which is subject to the Special License Terms and the other provisions applicable thereto which are set forth in this Agreement and which shall be made accessible to third parties only by means of a Sublicense.

Sublicense is a written and signed license between Integrator and its End User(s) for use of and access to Special License Software meeting the requirements set forth in Section 9.0 of this Agreement.

Territory is those regions or countries identified in Exhibit A.

2.0 SCOPE.

This Agreement sets forth the terms and conditions for Integrator's purchase and/or license of Products and Services during the term of the Agreement. Cisco authorizes Integrator to purchase and/or license Products and Services solely from an Approved Source, and to Resell or internally to use such Products and Services, solely as permitted in this Section 2.0. The provisions of Sections 4.0 through 7.0 of these Terms and Conditions, as well as Exhibit B to this Agreement, shall apply only with respect to Products and Services purchased directly from Cisco. All other provisions shall apply both to Products and Services purchased and/or licensed directly from Cisco and to Products and Services purchased or obtained from another Approved Source.

2.1 Integrator's Internal Use.

Integrator may purchase and/or license, as the case may be, all Products and Services for its Internal Use in the Territory. For any Products purchased from Cisco for Internal Use, (a) the "Internal Use" discount specified in Exhibit B shall apply, and (b) Exhibit C may prohibit the purchase of particular Services for use by Integrator in connection with Products purchased for

Internal Use. In the event Integrator purchases or licenses Products or Services for its Internal Use, Integrator shall be deemed to be the End User of such Products.

- 2.2 Commercial Integration And Resale. Subject to the terms and conditions of this Agreement, Cisco grants Integrator a non-exclusive, nontransferable right to Resell Products and Services directly to End Users in the Territory.
- 2.3 Added Value.
 - 2.3.1 Integrator will, in each of its Resales of Cisco Products and Services, Resell such Products and Services with Integrator's Added Value.
 - 2.3.2 Integrator must at all times during the term of this Agreement, (a) be able to demonstrate products to prospective End Users at End User location; and (b) provide post-sales support.
- 2.4 Resale Outside the Territory. Integrator agrees not to solicit Product or Service orders, engage salespersons, or establish warehouses or other distribution centers outside of the Territory.
- 2.5 Sales to End Users. Integrator certifies that, except as set forth in sub-section 2.1, above, it is acquiring the Products and Services solely for, Resale to End Users, in accordance with this Agreement. Integrator will not resell Products or Services to other resellers of Cisco Products or Services, whether or not such Resellers are authorized by Cisco to Resell Products or Services purchased from an Approved Source.
- 2.6 Redistribution of Software. Subject to and as authorized by the terms applicable to Special License Software in Section 9.0 of this Agreement, Integrator may sublicense Special License Software to End Users who may have access to and/or control over such Special License Software. Such End Users' right to use Special License Software must be granted via a Sublicense.
- 2.7 Future Products and Services.
 - 2.7.1 For any Products and Services included in the Price List, including but not limited to Products and Services which become or have become Cisco Products or Services as a result of an acquisition by Cisco of another entity, Cisco may require Integrator to comply with training requirements (including requirements included in a specialization or Advanced Technology Provider program) prior to allowing Integrator to purchase and/or license Products and Services for Resale, and may require on-going fulfillment of certification requirements to retain the right to purchase, license, Resell or support such Products.
 - 2.7.2 Cisco reserves the right, during the term of this Agreement, to license and distribute additional items of Software. Such items of Software may be licensed under additional or different policies and license terms, which will be made available to Integrator at the time such items of Software, are provided to Integrator.
- 2.8 Resale to Government End Users.
 - 2.8.1 Integrator will not Resell Products or Services to the United States Federal Government either directly or indirectly, or through the General Services Administration ("GSA").

- 2.8.2 Cisco does not accept any government flowdown provisions, including but not limited to, the United States Government Federal Acquisition Regulations ("FARs") and its supplements, Defense FARs, or NASA FARs, whether for Resale or Internal Use, notwithstanding the existence of such provisions on Integrator's Purchase Orders or supplementary documentation or Cisco's acceptance of such Purchase Orders or documentation.
- 2.8.3 With respect to GSA, California Multiple Award Schedule ("CMAS"), and other schedule contracts, this Agreement shall not be construed by Integrator as a representation that Cisco will furnish supplies needed by Integrator to fulfill any of Integrator's GSA, CMAS, or similar contract obligations under any schedule contract.

3.0 MULTINATIONAL DEPLOYMENT POLICY. Unless mutually agreed in writing by the parties, Integrator shall procure equipment for deployment outside of the Territory only in accordance with Cisco's then-current multinational deployment policies and procedures.

http://www.cisco.com/warp/customer/687/cust_service/Multinational/

4.0 PRICES.

- 4.1 Prices for Products shall be those specified in Cisco's then-current Price List less the applicable discounts specified in Exhibit B of this Agreement, subject to the transition rules set out in Part 1 of Exhibit B. Prices for Services shall be as stated in Exhibit C. All prices are FOB per the Uniform Commercial Code (for international shipments, Ex Works per INCOTERMS 2000), at Cisco's site, San Jose, California, or other Cisco-designated shipping location. Cisco may change prices for the Products or for Services at any time by issuance of a revised Price List (including via electronic posting) or other announcement of price change.
- 4.2 Purchase Orders received before the date of Cisco's announcement of price changes, and those received within thirty (30) days thereafter which specify a delivery date within ninety (90) days of the date of Cisco's announcement, will be invoiced to Integrator without regard to the price change, provided however, price decreases will be effective for all Purchase Orders accepted by Cisco after the date of issuance or announcement of revised prices.
- 4.3 Integrator is free to determine its minimum resale prices unilaterally. Integrator understands that neither Cisco nor any employee or representative of Cisco may give any special treatment (favorable or unfavorable) to Integrator as a result of Integrator's selection of minimum resale prices. No employee or representative of Cisco or anyone else has any authority to determine what Integrator's minimum resale prices for the Products or Services must be, or to limit Integrator's pricing discretion with respect to the Products and Services. Cisco may make additional discount available to Integrator with respect to specific Products and Services in return for Integrator's agreement to resell such Products and Services below a particular price. No such agreement shall limit Integrator's ability to sell any such Products or Services for any price below the maximum price identified by Cisco.
- 4.4 All stated prices are exclusive of any taxes, fees and duties or other amounts, however designated, and including without limitation value added and withholding taxes which are levied or based upon such charges, or upon this Agreement. Any taxes related to Products purchased or licensed pursuant to this Agreement shall be paid by Integrator (except for taxes based on Cisco's income) unless Integrator shall present an exemption certificate acceptable to the taxing authorities. Applicable taxes shall be billed as a separate item on the invoice, to the extent possible.

5.0 ORDERS.

- 5.1 Integrator shall purchase or license, as appropriate, Products and Services by issuing a written or electronic Purchase Order signed (or in the case of electronic transmission, sent) by its authorized representative, indicating specific Products and Services; Cisco's product numbers; quantity; unit price; total purchase price; shipping instructions; requested delivery dates; bill-to and ship-to addresses; tax exempt certifications, if applicable; identification of the End User for each Product; and any other special instructions.
- 5.2 The terms of the Networked Commerce Attachment (Exhibit D) shall apply for any orders submitted electronically, via CCO. No contingencies contained on such Purchase Order will be binding upon Cisco. The terms and conditions of this Agreement prevail regardless of any additional or conflicting terms on the Purchase Order or other correspondence submitted by Integrator to Cisco, and any such additional or conflicting terms are deemed rejected by Cisco unless expressly agreed to in writing.
- 5.3 All Purchase Orders are subject to approval and acceptance by the Cisco Integrator service order administration office of the Cisco entity, which shall supply the Products and Services. No other office is authorized to accept orders on behalf of Cisco. Cisco shall use commercially reasonable efforts to provide information regarding acceptance or rejection of such orders within ten (10) days from receipt thereof, or within three (3) business days, where orders are placed under CCO.
- 5.4 Integrator has the right to defer Product shipment for no more than thirty (30) days from the originally scheduled shipping date, provided written notice is received by Cisco at least ten (10) days before the originally scheduled shipping date. Cancelled orders, rescheduled deliveries or Product configuration changes made by Integrator less than ten (10) days before the original shipping date will be subject to (a) acceptance by Cisco, and (b) a charge of fifteen percent (15%) of the total invoice amount. Cisco reserves the right to reschedule delivery in cases of configuration changes made within ten (10) days of scheduled shipment.
- 5.5 During the term of this Agreement, Cisco may make the Products that are to be supplied outside the United States available for order in and delivery from an alternate central location and/or a Cisco affiliate, if it chooses. In the event that Cisco does so, Integrator will order the Products according to the procedures set forth at the time such ordering or delivery process becomes available. At such time, orders in conformance with Cisco's policies will be shipped according to the availability, pricing, and expedited lead-times described in the procedures.

6.0 SHIPPING AND DELIVERY.

- 6.1 Shipping dates will be established by Cisco upon acceptance of Purchase Orders from Integrator. Shipping dates will be assigned as close as practicable to the Integrator's requested date based on Cisco's then-current lead times for the Products. Unless, given written instruction by Integrator, Cisco shall select the carrier.
- 6.2 Shipping terms are FOB Origin per Uniform Commercial Code (for international shipments, Ex Works per INCOTERMS 2000) at Cisco's site, San Jose, California, or other Cisco-designated shipping location, which shall appear on Cisco's order acknowledgement and/or be accessible via CCO.
- 6.3 Title and risk of loss shall pass from Cisco to Integrator upon delivery to the common carrier or Integrator's representative at the delivery point per the applicable shipping term.

- 6.4 Delivery shall be deemed made upon transfer of possession to the carrier.
- 6.5 Integrator shall be responsible for all freight, handling and insurance charges subsequent to delivery. If Integrator requests delivery of Products to Integrator's forwarding agent or other representative in the country of shipment, Integrator shall assume sole responsibility for compliance with applicable export laws and regulations, including the preparation and filing of shipping documentation necessary for export clearance.
- 6.6 Cisco shall not be liable for damage or penalty for delay in delivery or for failure to give notice of any delay. Except in accordance with the applicable delivery terms set forth in this Agreement, Cisco shall not have any liability in connection with shipment, nor shall the carrier be deemed to be an agent of Cisco.
- 6.7 All sales are final. Products are provided with written limited warranty statements that set out the terms under which Cisco will, at its option, repair, replace, or refund the purchase price of a defective or damaged product.
- 7.0 PAYMENT.
- Upon and subject to credit approval by Cisco, payment terms shall be net thirty (30) days from shipping date. All payments shall be made in U.S. currency unless otherwise agreed. If at any time, Integrator is delinquent in the payment of any invoice, or is otherwise in breach of this Agreement, Cisco may, at its discretion, and without prejudice to its other rights, withhold shipment (including partial shipments) of any order or may, at its option, require Integrator to prepay for further shipments. Any sum not paid by Integrator, when due, shall bear interest until paid at a rate of 1.5% per month (18% per annum) or the maximum rate permitted by law, whichever is less. Integrator grants Cisco a security interest in Products and Services purchased or licensed under this Agreement and any proceeds realized by Integrator upon any resale or redistribution of those Products and Services. If requested by Cisco, Integrator agrees to execute any financing statements Cisco may require to perfect this security interest.
- 8.0 INTEGRATOR OBLIGATIONS.
- In a manner satisfactory to Cisco and at Integrator's sole expense, Integrator agrees to:
- 8.1 employ competent and aggressive sales, technical support, and maintenance organizations, employees of which shall be full-time direct employees of Integrator who sell, deploy, install, secure acceptance of, and maintain the Products and Services;
- 8.2 purchase Demonstration/Evaluation Units for each appropriate selling location as mutually agreed to by the parties;
- 8.3 have a majority of the appropriate Integrator sales and technical support personnel participate in and successfully complete mandatory training course identified by Cisco as well as such additional training courses identified in an initial training plan which shall be mutually agreed to by the parties and implemented within the initial term of this Agreement;
- 8.4 maintain at least one (1) Cisco trained technical support person per servicing location;
- 8.5 maintain adequate manpower and facilities to ensure prompt handling of inquiries, orders, and shipments for Products and Services;

- 8.6 validate End User network configuration design and associated components, and assist End Users with system design;
- 8.7 keep Cisco informed as to any problems which involve Products or Services and/or Cisco technologies and require Cisco's support or impact Integrator's ability to deliver service or solutions to the End User, to communicate such problems promptly to Cisco, and to assist Cisco in the resolution of such problems;
- 8.8 provide non-binding monthly forecasts to Cisco for the subsequent four (4) month period, monthly Inventory, and Point of Sale "POS reports and such other information as is required under this Agreement;
- 8.9 participate in quarterly business meetings with Cisco to review the progress of the relationship and Integrator's achievement as related to commitments such as, but not limited to: volume purchases, training and certification, support, and reporting;
- 8.10 appoint a relationship manager whose primary responsibility will be to work with the designated Cisco channel sales manager to manage the implementation of the Agreement, act as the focal point for day-to-day channel business issues and problem escalations, and participate in Cisco channel-related activities;
- 8.11 employ a minimum of one (1) CCIE, and (b) have the relationship manager identified in the preceding sub-section complete Sales Expert training; and
- 8.12 comply with all requirements set out in Exhibit A.
- 9.0 PROPRIETARY RIGHTS AND SOFTWARE LICENSING.
- 9.1 Subject to the terms and conditions of this Agreement, Cisco grants to Integrator a nonexclusive, non-transferable license (a) to use the Software and Documentation for Integrator's Internal Use under the terms of Exhibit S, and, with respect to Special License Software and related Documentation, the Special License Terms, and (b) during the term of this Agreement, to market and Resell the Software (including related Documentation) directly to End Users, solely as permitted by this Section of this Agreement, in the Territory, or, in the case of Special License Software, to grant to End Users Sublicenses to the Special License Software (including related Documentation) subject to the terms and conditions of this Section and the Special License Terms. Any Resale of any item of Software or Documentation to any person or entity, other than Integrator itself that is not an End User, including to any other Cisco Integrator, is expressly prohibited.
- 9.2 The license granted herein shall be for use of the Software and Documentation in object code format only and solely as provided in Part (i) of Exhibit S and, with respect to Special License Software and related Documentation, the Special License Terms. Integrator may not sublicense, to any person or entity, its rights to distribute or sublicense the Software or Documentation.
- 9.3 Integrator shall provide a copy of the Software License Agreement (inclusive of Parts (i) and (ii)) (a copy of which is attached hereto as Exhibit S) to each End User of the Software prior to installation of the Software.
- 9.4 For Special License Software (and related Documentation), Cisco grants Integrator the right to grant its End Users a Sublicense to use the Special License Software (and related Documentation)

pursuant to these terms and conditions and the Special License Terms. Redeployment of these licenses between End Users shall be subject to any restrictions set forth in the applicable Special License Terms. End Users' right to use this Software (and related Documentation) must be granted via a Sublicense.

9.5 Integrator shall notify Cisco promptly of any breach of the Software License Agreement or Special License Terms and further agrees that it will diligently pursue or, at Cisco's request, assist Cisco to diligently pursue, an action against any third parties in breach of the license.

9.6 The Special License Terms contain certain terms, which apply to certain current Special License Software product offerings by Cisco. In the future, Cisco may develop or acquire new Special License Software products, which may be governed by other Special License Terms, or Cisco may change its current terms, which will govern future license purchases by Integrator. With respect to these new Special License Terms, Cisco may require that Integrator acknowledge and accept these new terms prior to purchase by methods chosen by Cisco, including by electronic means.

10.0 LIMITED WARRANTY.

10.1 Cisco Products are provided with written limited warranties. Integrator will pass through to End Users all written limited warranties provided by Cisco with Products purchased by Integrator.

10.2 Notwithstanding any other provision hereof, Cisco's sole and exclusive warranty and obligation with respect to the Products sold hereunder are set forth in Cisco's Limited Warranty Statement delivered with the Product. INTEGRATOR SHALL NOT MAKE ANY WARRANTY COMMITMENT, WHETHER WRITTEN OR ORAL, ON CISCO'S BEHALF. Integrator shall indemnify Cisco for any warranties made in addition to Cisco's standard warranty and for any misrepresentation of Cisco's reputation or Cisco's Products.

10.3 DISCLAIMER OF WARRANTY. EXCEPT AS SPECIFIED IN THIS WARRANTY, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON INFRINGEMENT, SATISFACTORY QUALITY OR ARISING FROM A COURSE OF DEALING, LAW, USAGE, OR TRADE PRACTICE, ARE HEREBY EXCLUDED TO THE EXTENT ALLOWED BY APPLICABLE LAW. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE WARRANTY PERIOD. This disclaimer and exclusion shall apply even if the express warranty set forth above fails of its essential purpose. The date of shipment of a Product by Cisco is set forth on the packaging material in which the Product is shipped. Integrator acknowledges that the Internet URL address and the web pages referred to above may be updated by Cisco from time to time; the version in effect at the date of delivery of the Products to the Integrator shall apply.

11.0 TRADEMARK USAGE.

11.1 Cisco grants to Integrator the right to use the name, logo, trademarks, and other marks of Cisco (collectively, the "Marks") for all proper purposes in the sale of Cisco Products and Services to End Users and the performance of Integrator's duties hereunder only so long as this Agreement is in effect. Integrator's use of such Marks shall be in accordance with Cisco's policies including, but not limited to trademark usage and advertising policies, and be subject to Cisco's approval. Integrator agrees not to attach to any Products any trademarks, trade names, logos, or labels other

than an aesthetically proper label identifying the Integrator, its location and its relationship to Cisco. Integrator further agrees not to affix any Marks to products other than genuine Products.

- 11.2 Integrator shall have no claim or right in the Marks, including but not limited to trademarks, service marks, or trade names owned, used or claimed now or which Cisco has authority to grant Integrator the right to use in the future. Integrator shall not make any claim to the Cisco Marks or lodge any filings with respect to such Marks or marks confusingly similar to the Marks, whether on behalf of Cisco or in its own name or interest, without the prior written consent of Cisco. Integrator shall discontinue its use of any Mark promptly upon request of Cisco.
- 12.0 CONFIDENTIAL INFORMATION.
- 12.1 Integrator acknowledges that, in the course of selling the Products and Services, and in connection with this Agreement and its relationship with Cisco, Integrator may obtain information relating to the Products and Services, and/or to Cisco, which is of a confidential and proprietary nature ("Confidential Information"). Such Confidential Information may include, but is not limited to, trade secrets, know how, inventions, techniques, processes, programs, schematics, Software source documents, data, customer lists, financial information, and sales and marketing plans or information posted on CCO which Integrator knows or has reason to know is confidential, proprietary or trade secret information of Cisco.
- 12.2 Integrator shall at all times, both during the term of this Agreement and for a period of at least three (3) years after its expiration or termination, keep in trust and confidence all such Confidential Information, and shall not use such Confidential Information other than as expressly authorized by Cisco under this Agreement, nor shall Integrator disclose any such Confidential Information to third parties without Cisco's written consent.
- 12.3 Integrator further agrees to immediately return to Cisco all Confidential Information (including copies thereof) in Integrator's possession, custody, or control upon termination or expiration of this Agreement at any time and for any reason.
- 12.4 The obligations of confidentiality set forth herein shall not apply to information which (a) has entered the public domain except where such entry is the result of Integrator's breach of this Agreement; (b) prior to disclosure hereunder was already rightfully in Integrator's possession; or (c) subsequent to disclosure hereunder is obtained by Integrator on a non-confidential basis from a third party who has the right to disclose such information to the Integrator. Neither party shall disclose, advertise, or publish the terms and conditions of this Agreement without the prior written consent of the other party. Any press release or publication regarding this Agreement is subject to prior review and written approval of the parties.
- 13.0 PATENT AND COPYRIGHT INFRINGEMENT.
- 13.1 Cisco will have the obligation and right to defend any claim, suit or proceeding brought against Integrator so far as it is based on a claim that any Product supplied hereunder infringes a United States copyright or an existing United States patent issued as of the Effective Date. Cisco's obligation specified in this paragraph will be conditioned on Integrator notifying Cisco promptly in writing of the claim or threat thereof and giving Cisco full and exclusive authority for, and information for and assistance with, the defense and settlement thereof.
- 13.2 If such claim has occurred, or in Cisco's opinion is likely to occur, Integrator agrees to permit Cisco, at its option and expense, either to: (a) procure for Integrator the right to continue using the

Product: (b) replace or modify the same so that it becomes non-infringing; or (c) if neither of the foregoing alternatives is reasonably available, immediately terminate Cisco's obligations (and Integrator's rights) under this Agreement with regard to such Product, and, if Integrator returns such Product to Cisco, refund to Integrator the price originally paid by Integrator to Cisco for such Product as depreciated or amortized by an equal annual amount over the lifetime of the Products as established by Cisco.

- 13.3 Notwithstanding the foregoing, Cisco has no liability for, and Integrator will indemnify Cisco against, any claim based upon: (a) the combination, operation, or use of any Product supplied hereunder with, equipment, devices, or software not supplied by Cisco; (b) services offered or used by Integrator through operation of the Products or revenue received by Integrator from its services; (c) alteration or modification of any Product supplied hereunder; or (d) Cisco's compliance with Integrator's designs, specifications, or instructions.
- 13.4 Notwithstanding any other provisions hereof, Cisco shall not be liable for any claim, based on Integrator's use of the Products, as shipped, after Cisco has informed Integrator of modifications or changes in the Products required to avoid such claims and offered to implement those modifications or changes, if such claim would have been avoided by implementation of Cisco's suggestions.
- 13.5 THE FOREGOING STATES THE ENTIRE OBLIGATION OF CISCO AND ITS SUPPLIERS, AND THE EXCLUSIVE REMEDY OF INTEGRATOR, WITH RESPECT TO INFRINGEMENT OF PROPRIETARY RIGHTS. THE FOREGOING IS GIVEN TO INTEGRATOR SOLELY FOR ITS BENEFIT AND IN LIEU OF, AND CISCO DISCLAIMS, ALL WARRANTIES OF NON-INFRINGEMENT WITH RESPECT TO THE PRODUCTS.
- 14.0 TERM AND TERMINATION.
- 14.1 This Agreement shall commence on the Effective Date and continue thereafter for a period of one (1) year, unless extended by written agreement of both parties or sooner terminated as set forth below. Without prejudice to either party's right to terminate this Agreement as set forth in Sections 14.2 to 14.5 below. Cisco may, by written notice to Integrator, given at least thirty (30) days prior to the end of the then-current term of the Agreement, extend the term of the Agreement for the period set forth in such notice, up to a maximum of one (1) year beyond the then-current expiration date. Any extension shall be on the same terms and conditions then in force, except as may be mutually agreed in writing by the parties. Notwithstanding Cisco's right to extend the term of this Agreement, each party acknowledges that this Agreement shall always be interpreted as being limited in duration to a definite term and that the other party has made no commitments whatsoever regarding the duration or renewal of this Agreement beyond those expressly stated herein.
- 14.2 Either party may at any time terminate this Agreement for convenience, for any reason or no reason, by providing the other party with forty-five (45) days prior written notice of termination.
- 14.3 Cisco may, upon twenty (20) days written notice, terminate this Agreement in the event (a) there is a change of ownership of Integrator (i.e. entering into a binding agreement for purchase or sale by one person or other entity) of ten percent (10%) or more of Integrator's voting shares or securities, (b) there is an entering into a binding agreement for acquisition or transfer of a controlling interest in Integrator, or (c) there is an entering into a binding agreement for any investment in Integrator by a competitor of Cisco or an investment in a competitor by Integrator.

- 14.4 This Agreement may at any time be terminated immediately by either party by providing the other party with written notice under any of the following conditions:
- 14.4.1 Either party ceases to carry on business as a going concern, either party becomes the object of the institution of voluntary or involuntary proceedings in bankruptcy or liquidation, or a receiver or similar officer is appointed with respect to a substantial part of its assets.
- 14.4.2 Either party breaches any of the material provisions of this Agreement and fails to remedy such breach within thirty (30) days, after written notification by the other party of such breach.
- 14.5 Notwithstanding the foregoing, this Agreement may be terminated immediately by Cisco in the event of Integrator's breach of Section 9.0, "Proprietary Rights and Software Licensing", or Section 12.0, "Confidential Information".
- 14.6 Unless otherwise agreed in writing by Cisco after the effective date of termination of this Agreement, upon either the expiration of this Agreement or the issuance by either party of notice of termination of this Agreement: (a) Cisco may cease all further deliveries due against existing orders; (b) Cisco may accelerate all outstanding invoices immediately to become due and may require payment by certified or cashier's check; (c) subject to subsection 24.8, "Survival", all rights and licenses of Integrator hereunder shall terminate, including any right to provide or Resell Services, except that Integrator may continue to use Products and Services purchased for Internal Use, and distribute, in accordance with normal business practices and the terms and conditions of this Agreement, Products received from Cisco prior to the date of expiration or termination; and (d) Integrator shall no longer identify itself or hold itself out as being an authorized re-seller of Products except for the limited purpose described in this sentence.
- 14.7 Upon termination or expiration of this Agreement, Integrator shall immediately return to Cisco all Confidential Information and data (including all copies thereof) then in Integrator's possession or custody or control including, without limitation:
- 14.7.1 All technical materials and business plans supplied by Cisco;
- 14.7.2 All manuals and agreements covering Products and Services; and
- 14.7.3 Any customer or prospect lists provided by Cisco.
- 14.8 IN THE EVENT OF TERMINATION OR EXPIRATION OF THIS AGREEMENT FOR ANY REASON, INTEGRATOR SHALL HAVE NO RIGHTS TO DAMAGES OR INDEMNIFICATION OF ANY NATURE RELATED TO SUCH TERMINATION OR EXPIRATION (BUT NOT LIMITING ANY CLAIM FOR DAMAGES IT MIGHT HAVE ON ACCOUNT OF CISCO'S BREACH OF THIS AGREEMENT, EVEN IF THE BREACH GAVE RISE TO TERMINATION, SUCH LIABILITY BEING GOVERNED BY AND SUBJECT TO THE LIMITATIONS SET FORTH ELSEWHERE IN THIS AGREEMENT), SPECIFICALLY INCLUDING NO RIGHTS TO DAMAGES OR INDEMNIFICATION FOR COMMERCIAL SEVERANCE PAY, WHETHER BY WAY OF LOSS OF FUTURE REVENUES OR PROFITS, EXPENDITURES FOR PROMOTION OF THE CISCO PRODUCTS, OR OTHER COMMITMENTS IN CONNECTION WITH THE BUSINESS AND GOOD WILL OF INTEGRATOR OR INDEMNITIES FOR ANY TERMINATION OR EXPIRATION OF A BUSINESS RELATIONSHIP.

15.0 SUPPORT.

Integrator shall provide all warranty support to End Users as required in the provisions of Exhibit C titled "Warranty Service," provided that Integrator may obtain technical assistance from Cisco in connection with its provision of warranty support. In addition, Integrator shall make available all support offerings identified in Exhibit C.

16.0 AUDIT.

Integrator shall keep full, true, and accurate records and accounts, in accordance with generally-accepted accounting principles, of each Product and Service purchased and deployed, resold, or distributed, including information regarding compliance with Cisco marketing and sales programs, Software usage, and export or transfer. Integrator shall make these records available for audit by Cisco upon fifteen (15) days prior written notice, during regular business hours, at Integrator's principal place of business or such other of Integrator's location where Integrator may maintain relevant records.

17.0 USE, EXPORT, RE-EXPORT, & TRANSFER CONTROLS.

Integrator hereby acknowledges that the Products, Services, and technology or direct products thereof ("Products and Technology"), supplied by Cisco under this Agreement are subject to export controls under the laws and regulations of the United States (US.). Integrator shall comply with such laws and regulations governing use, export, re-export, and transfer of Cisco Products and Technology and will obtain all required U.S. and local authorizations, permits, or licenses. Cisco and Integrator each agree to provide the other such information and assistance as may reasonably be required by the other in connection with securing such authorizations or licenses, and to take timely action to obtain all required support documents. Integrator agrees to maintain full, true, and accurate records of exports, re-exports, and transfers of the Products and Technology, purchased and deployed or distributed, according to U.S. and local laws for a minimum of 5 years following exportation. Integrator acknowledges that detailed information regarding compliance with U.S. use, export, re-export, and transfer laws may be found at

http://www.cisco.com/wwl/export/compliance_provision.html.

18.0 FORCE MAJEURE.

Except for the obligation to pay monies due and owing, neither party shall be liable for any delay or failure in performance due to events outside the defaulting party's reasonable control, including without limitation acts of God, earthquake, labor disputes, shortages of supplies, actions of governmental entities, riots, war, fire, epidemics, or delays of common carriers or other circumstances beyond its reasonable control. The obligations and rights of the excused party shall be extended on a day to day basis for the time period equal to the period of the excusable delay.

19.0 PRODUCT CHANGES.

Modifications which do not affect the compliance of a Product with the terms of this Agreement or which Cisco deems necessary to comply with specifications, changed safety standards or governmental regulations, to make the Product non-infringing with respect to any patent, copyright or other proprietary interest, or to otherwise improve the Product may be made at any time by Cisco without prior notice to or consent of Integrator and such altered Product shall be deemed fully conforming. Cisco shall employ commercially reasonable efforts to announce,

including by electronic posting, Product discontinuance or changes other than those set forth in the previous sentence at least ninety (90) days prior to the effective date of the changes (the "Announcement Period"). Integrator may make a last-time purchased such Products within the Announcement Period.

20.0 COMPLIANCE WITH LAWS.

20.1 Integrator shall obtain all licenses, permits and approvals required by any government, including any recycling or take-back programs applicable to packaging or Products, and shall comply with all applicable laws, rules, policies and procedures including requirements applicable to the use of Products under telecommunications and other laws and regulations, of any government or other competent authority where the Products are to be sold or used (collectively "Applicable Laws").

20.2 Integrator will indemnify and hold harmless Cisco for any violation or alleged violator of any Applicable Laws.

20.3 Integrator hereby represents and warrants that: (a) it shall comply with all Applicable Laws; (b) this Agreement and each of its terms are in full conformance and in compliance with such laws; and (c) it shall not act in any fashion or take any action or permit or authorize any action which will render, Cisco liable for a violation of the U.S. Foreign Corrupt Practices Act, which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality thereof in order to assist it or Cisco in obtaining or retaining business and (i) it will not violate or cause Cisco to violate such act in connection with the sale or distribution of Cisco Products and/or services; and (ii) if Integrator is a non-governmental entity, it will notify Cisco in writing if any of its owners, partners, principals, and officers are or become during the term of this Agreement officials, officers or representatives of any non-United States government or political party or candidate for political office outside the United States and are responsible for a decision regarding obtaining or retaining business for Cisco Products by such government.

20.4 Integrator shall use its best efforts to regularly and continuously inform Cisco of any requirements of laws, statutes, ordinances, governmental authorities directly or indirectly affecting this Agreement, the sale, use and distribution of Products, or Cisco's trade name, trademarks or other commercial, industrial or intellectual property interests, including, but not limited to, certification of the Products from the proper authorities in the Territory.

21.0 LIMITATION OF LIABILITY.

NOTWITHSTANDING ANYTHING ELSE HEREIN, ALL LIABILITY OF CISCO AND ITS SUPPLIERS FOR CLAIMS ARISING UNDER THIS AGREEMENT OR OTHERWISE SHALL BE LIMITED TO THE MONEY PAID BY INTEGRATOR TO CISCO UNDER THIS AGREEMENT DURING THE SIX (6) MONTH PERIOD PRECEDING THE EVENT OR CIRCUMSTANCES GIVING RISE TO SUCH LIABILITY. THIS LIMITATION OF LIABILITY IS CUMULATIVE AND NOT PER INCIDENT.

22.0 WAIVER OF CONSEQUENTIAL AND OTHER DAMAGES.

IN NO EVENT SHALL CISCO OR ITS SUPPLIERS BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOST REVENUE, LOST PROFITS, OR LOST OR DAMAGED DATA, WHETHER ARISING IN CONTRACT, TORT

(INCLUDING NEGLIGENCE), OR OTHERWISE, EVEN IF CISCO OR ITS SUPPLIERS HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF.

23.0 NOTICES.

Except where this Agreement provides that notices may be provided by posing on CCO, all notices required or permitted under this Agreement will be in writing and will be deemed given: (a) when delivered personally; (b) when sent by confirmed facsimile or electronic mail (in the case of Cisco to "contract-notice@cisco.com", and in the case of Integrator to _____) (provided that the original document is placed in air mail/air courier or delivered personally, within seven days of the facsimile electronic notice); (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid (or six (6) days for international mail; or (d) one (1) day after deposit with a commercial express courier specifying next day delivery (or two (2) days for international courier packages specifying 2-day delivery). All communications will be sent to the addresses set forth on the cover sheet of this Agreement or such other address as may be designated by a party by giving written notice to the other party pursuant to this paragraph.

24.0 GENERAL.

24.1 CHOICE OF LAW. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, United States of America, as if performed wholly within the state and without giving effect to the principles of conflicts of law, and the State and federal courts of California shall have jurisdiction over any claim arising hereunder. Notwithstanding the foregoing, either party may seek interim injunctive relief in any court of appropriate jurisdiction with respect to any alleged breach of such party's proprietary rights. The parties specifically disclaim the application of the UN Convention on Contracts for the International Sale of Goods to the interpretation or enforcement of this Agreement.

24.2 NO WAIVER. No waiver of rights under this Agreement by either party shall constitute a subsequent waiver of such right or any other right under this Agreement.

24.3 ASSIGNMENT. Neither this Agreement nor any rights under this Agreement, other than the right to receive monies due or to become due, shall be assigned or otherwise transferred by Integrator (by operation of law or otherwise) without the prior written consent of Cisco. Cisco shall have the right to assign all or part of this Agreement without Integrator's approval. This Agreement shall bind and inure to the benefit of the successors and permitted assigns of the parties.

24.4 SEVERABILITY. In the event that any of the terms of this Agreement become or are declared to be illegal or otherwise unenforceable by any court of competent jurisdiction, such term(s) shall be null and void and shall be deemed deleted from this Agreement. All remaining terms of this Agreement shall remain in full force and effect. Notwithstanding the foregoing, if this paragraph becomes applicable and, as a result, the value of this Agreement is materially impaired for either party, as determined by such party in its sole discretion, then the affected party may terminate this Agreement by written notice to the other.

24.5 ATTORNEYS FEES. In any suit or proceeding relating to this Agreement the prevailing party will have the right to recover from the other its costs and reasonable fees and expenses of attorneys, accountants, and other professionals incurred in connection with the suit or proceeding, including costs, fees and expenses upon appeal, separately from and in addition to any other

amount included in such judgement. This provision is intended to be severable from the other provisions of this Agreement, and shall survive and not be merged into any such judgement.

- 24.6 NO AGENCY. This Agreement does not create any agency, partnership, joint venture, or franchise relationship. No employee of either party shall be or become, or shall be deemed to be or become, an employee of the other party by virtue of the existence or implementation of this Agreement. Each party hereto is an independent contractor. Neither party has the right or authority to, and shall not, assume or create any obligation of any nature whatsoever on behalf of the other party or bind the other party in any respect whatsoever.
- 24.7 URL. Integrator hereby confirms that it has the ability to access, has accessed and has read, the information made available by Cisco at all of the world wide web sites/URLs/addresses/pages referred to anywhere throughout this Agreement (including any of the Exhibits hereto). Integrator acknowledges that Cisco may modify any URL address or terminate the availability of any information at any address without notice to Integrator.
- 24.8 SURVIVAL. Sections 9.0, 10.0, 12.0, 13.0, 14.0, 16.0, 17.0, 18.0, 20.0, 21.0, 22.0, 24.0 and the license to use the Software set out in Section 9 and Exhibit S (subject to the termination provisions set forth in Exhibit S shall survive the termination of this Agreement.
- 24.9 HEADINGS. Headings of sections have been added only for convenience and shall not be deemed part of this agreement.

EXHIBIT A

INTEGRATOR PROFILE

INTEGRATOR'S ASSIGNED SALES TERRITORY:

United States, excluding Puerto Rico.

VERTICAL MARKETS ADDRESSED BY INTEGRATOR'S ADDED VALUE:

Service Providers
Enterprise

INTEGRATOR'S ADDED VALUE:

Consulting, Professional Services, Network Design & Implementation, Service Management Systems

INTEGRATOR'S VOLUME REQUIREMENT:

During first twelve (12) months of Agreement, Integrator will purchase at least ten million dollars (\$10,000,000) of Cisco Products and Services.

INTEGRATOR'S CERTIFICATION REQUIREMENT:

As of the Effective Date, and throughout the term of this Agreement, Integrator will maintain at least Cisco Silver certification in the Territory.

EXHIBIT B
DISCOUNT SCHEDULE

CONTENTS

PART 1: TRANSITION RULES

PART 2: "OLD" DISCOUNT EXHIBIT

SUB-PART A: SPECIALIZATION OPTION RULES

SUB-PART B: FOCUS OPTION RULES

SUB-PART C: DISCOUNT SUMMARY

PART 3: "NEW" DISCOUNT EXHIBIT

PART 1: TRANSITION RULES

1. TRANSITION RULES

- A. If the Effective Date of this Agreement is before September 4, 2001, the discount applicable to Integrator's purchases of Products from the Effective Date until March 29, 2002 will be governed by the "Old" Discount Exhibit, Part 2 of this Exhibit B. Beginning April 1, 2002, Cisco will apply the "New" Discount Exhibit, Part 3 of this Exhibit B, to Integrator's purchases. However, at anytime after September 4, 2001, Integrator may, by written notice to Cisco, elect to have its discount governed instead by the "New" Discount Exhibit by providing written notice to Cisco. Such notice must be provided to: contract_notice_us @ cisco.com.

Cisco will notify Integrator within fifteen (15) days following Integrator's notice that its election has become effective.

- B. If the Effective Date of this Agreement is on or after September 4, 2001, Integrator shall choose before the Effective Date whether it prefers to purchase under the "Old" Discount Exhibit set out in Part 2 or the "New" Discount Exhibit set out in Part 3. If Integrator chooses the "Old" Discount Exhibit, it will be effective through March 29, 2002. Beginning April 1, 2002, Cisco will apply the "New" Discount Exhibit to Integrator's purchases. In the event Integrator initially chooses the "Old" Discount Exhibit, Integrator may subsequently communicate its election to transition to the "New" Discount Exhibit at any time prior to April 1, 2002 by providing written notice to Cisco. NOTICE SHALL BE PROVIDED BY E-MAIL TO:

CONTRACT_NOTICE_US@ CISCO.COM.

Cisco will notify Integrator within fifteen (15) days following Integrator's notice that its election has become effective.

PART 2: "OLD" DISCOUNT EXHIBIT

SUB-PART A. SPECIALIZATION OPTION

If Integrator selects the Specialization Option, this discount schedule shall apply to all Product purchased from Cisco by Integrator during the time period set out in the Transition Rules provided in Part 1 of this Exhibit B. I.

1. VOLUME INCENTIVE MATRIX

Discounts will be based on the total annual volume of Products forecasted to be purchased by Integrator (a) from an Approved Source, and (b) for value-added resale and not for Internal Use in accordance with this Agreement. Note that Cisco does not control the pricing that Integrator receives on Products purchased from a Cisco Authorized Distributor.

<TABLE>
<CAPTION>
ACTUAL NET PURCHASE FORECAST

<C>
\$ 1,000,000 to \$2,000,000 +1%
\$ 2,000,001 to \$4,000,000 +2%
\$ 4,000,001 to \$8,000,000 +3%
\$ 8,000,001 to \$16,000,000 +4%
\$ 16,000,001 to \$32,000,000 +5%
\$ 32,000,001 to \$64,000,000 +6%
\$ 64,000,001 to \$128,000,000 +7%
\$128,000,001 or greater +8%
</TABLE>

The above discounts are based on Integrator's mutually agreed total volume forecast.

Cisco reserves the right to adjust the volume incentive discount for the second six (6) month period of the initial term and of any subsequent year of the Agreement based on the actual volume of Products purchased for distribution in accordance with this Agreement and delivered during the first six (6) month period of the initial term or subsequent years of the Agreement. Changes in discount level will not be applied retroactively.

2. CERTIFICATION INCENTIVE

Cisco Premier Certified, Silver Certified and Gold Certified Partner Programs are designed to recognize and reward Partners who achieve the highest expertise in selling, designing, supporting, and servicing Cisco solutions. Certified Partners have completed comprehensive training that ensures a consistently high level of Product knowledge, technical expertise and service capabilities. Cisco will apply two (2) additional discount points for Silver Certification, and three (3) additional discount points for Gold Certification, at such time that all of the requirements for Certification have been completed. Certification points will not be applied retroactively.

3. SPECIALIZATION INCENTIVE

Cisco will apply two (2) additional discount points per Specialization up to a maximum of four percent (4%), against all purchases made by Integrator, provided however, that all of the requirements for such

Specialization(s) have been completed prior to the placement of the Purchase Order for the Products to which the Specialization discount shall apply. Specialization points will not be applied retroactively.

Information about Specializations can be obtained at:

www.cisco.com/go/specialization

Cisco may change the availability or definition of Specializations. Such changes may adversely impact the availability of a particular Specialization to Integrator. Any such changes shall not affect this Agreement during the balance of the initial term.

4. IC/POS

Integrator will submit IC (Internet Commerce)/POS (Point of Sale) information to Cisco electronically, at time of order. "Submitted electronically" means (a) Integrator uses IC or EDI (Electronic Data Interchange) technology in a format agreed in advance with Cisco to submit orders electronically, and (b) Integrator collects and transmits all required POS information.

POS information must include the following:

- A. Integrator's Purchase Order number.
- B. Cisco's Product name and number.
- C. End User (name of business or organization), ship-to and bill-to address (country, state or province (and, in US and Canada only, zip or postal code), phone number.

Cisco shall have the right to verify the IC/POS information provided by Integrator and, upon request, shall be provided with reasonable proof (shippers' documentation, invoices, etc.) confirming the information.

5. FOCUS INCENTIVE

Integrator may qualify for a Focus Incentive of up to four percent (4%); provided however, that the total of any Volume Incentive plus Focus Incentive cannot exceed eight percent (8%). Integrator may select up to two (2) Focus areas (as defined at the website listed below or such other medium of communication as Cisco may elect) during the term of the Agreement and subject to Territory. Focus Incentive applies only to Products which either:

- A. Integrator sells to an End-User located in the in the Territory identified in Exhibit A whose primary business, as classified by the North American Industry Classification System (NAIC) (http://www.ntis.aov/yellowbk/l_nty205.htm), qualifies such primary business as eligible for inclusion in one of Cisco's specified Focus area, or sells to an End User located elsewhere which is deemed by Cisco to qualify in accordance with classification criteria equivalent to those set forth by the NAIC, and such Focus area has been selected as one of Integrator's Focus areas (Focus Incentive applies to all Product on the Purchase Order), or;
- B. are part of a product set that Integrator has selected in accordance with the applicable requirements for Focus Areas as one of Integrator's Focus areas (Focus Incentive applies to only those Products which are included in the product set).

No more than one Focus Incentive may be applied against an individual line item on a Purchase Order, including in the event such Product qualifies for Focus Incentive based upon the End User's primary business and is also part of a selected and qualified Focus area based on product set.

<TABLE>	<CAPTION>	DEFINITION
VERTICAL MARKET - U.S.		
<S>	Energy/Utilities	<C> Companies involved in the extraction and delivery of oil and gasoline, natural gas electricity, and/or water
Finance/Insurance		Finance - (Retail & Investment Banking) Companies that provide financial services, such as all types of banks, credit institutions and investment funds.
		Insurance - Companies providing insurance services.
Federal Government(1)		Entities which are legislative bodies, or provide/administer civic functions.
Healthcare		Companies involved in administering medical care.
Retail		Companies involved in providing goods to retail companies.
Transportation		Companies providing means of shipment of goods or people (shipping Companies, airlines railroads).

</TABLE>

- (1) Integrator must meet the following criteria before qualifying for Federal Government Focus: Integrator must be Silver or Gold Certified; or Integrator must employ a minimum of one hundred (100) systems engineers dedicated to providing services to the Federal Government.

<TABLE>	<CAPTION>	DEFINITION
PRODUCT SET - U.S.		
<S>	Multiservice	<C> 700, 800, 1700, 2600, 3600, 3800, BPX, IGX
Remote		Access 5200, 5300, 5800, Access Path,(1) 6100, 6200, 6400, 6500, CISCO90, UBR, UBR900, SC2200
LAN Switching		C2800, C2900, C2900XL, C3500XL, C4000, C5000, C6000, CSS 11000

</TABLE>

- (1) Access Path is comprised of 3640, 5300, AP400, and AP 531 Series Products.

Cisco may change the availability or definition of Focus areas. Such changes may adversely impact the availability of a particular Focus area to Integrator. Cisco will provide Integrator with at least thirty (30) days prior written notice of any such changes that adversely affect the availability of Focus discounts to Integrator. Cisco reserves the right to audit End User information to verify the information reported regarding sales made for a specified Focus area. In the event Cisco determines, in its sole discretion, that Integrator has reported sales as being within a Focus area whereas they were not, Cisco may, without prejudice to any other rights under the Agreement, withdraw Focus Incentive points to be applied to any future purchase and reclaim points falsely claimed. Such misrepresentation shall be deemed a material breach of the Agreement.

6. INTERNAL USE DISCOUNT

Integrator may purchase Products for Internal Use at a discount of twenty-five percent (25%) off of Cisco's then-current list price for such Products.

7. DEMONSTRATION/EVALUATION/LAB DISCOUNT

To assist Integrator in its sales and marketing efforts, Integrator shall be entitled to a discount of forty-five percent (45%) for its purchases of demonstration, evaluation, and lab equipment. This discount may be applied to a maximum total value of Cisco Products as follows:

<TABLE>	<CAPTION>	
INTEGRATOR'S CERTIFICATION LEVEL	MAXIMUM TOTAL VALUE OF CISCO PRODUCTS* INTEGRATOR MAY PURCHASE USING 45 PERCENT DEMONSTRATION/EVALUATION/LAB DISCOUNT	
<S>	<C>	
Gold	\$150,000 in any 12-month period.	
Silver	\$100,000 in any 12-month period.	
Premier	\$ 75,000 in any 12-month period.	

*Based on purchase price paid by Integrator to Cisco.

Integrator agrees to use such Products solely for demonstration/evaluation (non-production) purposes and any software received with or for such Products may not be distributed further, and software for such Products is licensed to Integrator solely for use for demonstration and evaluation purposes.

8. NON-VALUE ADDED DISCOUNT

In the event that Cisco determines in its sole discretion that Integrator is selling Cisco Product without significant added value as defined in the Agreement, the total discount for any such opportunity will be reduced to a total of ten percent (10%) off of Cisco's List Price. This remedy is without prejudice to and in addition to all other rights and remedies available to Cisco at law.

9. POS REPORTING

In the event Integrator does not provide POS information at the time of order entry, Integrator shall prepare such information in an electronic format as specified by Cisco and forward such POS information to Cisco within seven (7) days following the submission of an Order. The information shall include all that which is set forth above under "IC/POS". Cisco shall have the right to verify the information in such reports and shall be provided with reasonable proof (shippers' documentation, invoices, etc.) confirming the information on request.

Such reports shall be sent to the following e-mail address:
us1_tier_Dos@cisco.com

or such other address as Cisco may specify.

SUB-PART B: FOCUS OPTION

If Integrator selects the Focus Option, this discount schedule shall apply to all Product purchased from Cisco by Integrator during the time period set out in the Transition Rules provided in Part 1 of this Exhibit B.

1. VOLUME INCENTIVE MATRIX

Discounts will be based on the total annual volume of Products forecasted to be purchased by Integrator (a) from an Approved Source, and (b) for value-added resale and not for Internal Use in accordance with this Agreement. Note that Cisco does not control the pricing that Integrator receives on Products purchased from a Cisco Authorized Distributor.

<TABLE>
<CAPTION>
ACTUAL NET PURCHASE FORECAST

<S>
\$ 1,000,000 to \$ 2,000,000 +1%
\$ 2,000,001 to \$ 4,000,000 +2%
\$ 4,000,001 to \$ 8,000,000 +3%
\$ 8,000,001 to \$ 16,000,000 +4%
\$ 16,000,001 to \$ 32,000,000 +5%
\$ 32,000,001 to \$ 64,000,000 +6%
\$ 64,000,001 to \$128,000,000 +7%
\$128,000,001 or greater +8%
</TABLE>

The above discounts are based on Integrator's mutually agreed total volume forecast.

Cisco reserves the right to adjust the volume incentive discount for the second six (6) month period of the initial term and of any subsequent year of the Agreement based on the actual volume of Products purchased for distribution in accordance with this Agreement and delivered during the first six (6) month period of the initial term or subsequent years of the Agreement. Changes in discount level will not be applied retroactively.

2. CERTIFICATION INCENTIVE

Cisco Premier Certified, Silver Certified and Gold Certified Partner Programs are designed to recognize and reward Partners who achieve the highest expertise in selling, designing, supporting, and servicing Cisco solutions. Certified Partners have completed comprehensive training that ensures a consistently high level of Product knowledge, technical expertise and service capabilities. Cisco will apply two (2) or three (3) additional discount points (for Silver or Gold Certification, respectively) at such time that all of the requirements for Certification have been completed. Certification points will not be applied retroactively.

3. SPECIALIZATION INCENTIVE

Cisco will apply two (2) additional discount points per Specialization up to a maximum of two percent (2%), against all purchases made by Integrator, provided however, that all of the requirements for such Specialization(s) have been completed prior to the placement of the Purchase Order for the Products to which the Specialization discount shall apply. Specialization points will not be applied retroactively.

Cisco may change the availability or definition of Specializations. Such changes may adversely impact the availability of a particular Specialization to Integrator. Any such changes shall not affect this Agreement during the balance of the initial term.

Information about Specializations can be obtained at:

www.cisco.com/go/specialization

4. IC/POS INCENTIVE

Integrator will submit IC (Internet Commerce)/POS (Point of Sale) information to Cisco electronically, at time of order. "Submitted electronically" means (a) Integrator uses IC or EDI (Electronic Data Interchange) technology in a format agreed in advance with Cisco to submit orders electronically, and (b) Integrator collects and transmits all required POS information.

POS information must include the following:

- A. Integrator's Purchase Order number.
- B. Cisco's Product name and number.
- C. End User (name of business or organization), ship-to and bill-to address (country, state or province (and, in US and Canada only, zip or postal code), phone number.

Cisco shall have the right to verify the IC/POS information provided by Integrator and, upon request, shall be provided with reasonable proof (shippers' documentation, invoices, etc.) confirming the information.

5. FOCUS INCENTIVE

Integrator may qualify for a Focus Incentive of up to six percent (6%); provided however, that the total of any Volume Incentive plus Focus Incentive cannot exceed ten percent (10%). Integrator may select up to two (2) Focus areas (as defined at the website listed below or such other medium of communication as Cisco may elect) during the term of the Agreement and subject to Territory. Focus Incentive applies only to Products which either:

- A. Integrator sells to an End-User located in the in the Territory identified in Exhibit A whose primary business, as classified by the North American Industry Classification System (NAIC) (<http://www.ntis.gov/yellowbk/1nty205.htm>), qualifies such primary business as eligible for inclusion in one of Cisco's specified Focus area, or sells to an End User located elsewhere which is deemed by Cisco to qualify in accordance with classification criteria equivalent to those set forth by the NAIC, and such Focus area has been selected as one of Integrator's Focus areas (Focus Incentive applies to all Product on the Purchase Order); or
- B. are part of a product set that Integrator has selected in accordance with the applicable requirements for Focus Areas as one of Integrator's Focus areas (Focus incentive applies to only those Products which are included in the product set).

No more than one Focus Incentive may be applied against an individual line item on a Purchase Order, including in the event such Product qualifies for Focus Incentive based upon the End User's primary business and is also part of a selected and qualified Focus area based on product set.

<TABLE>
<CAPTION>
VERTICAL MARKET - U.S.

DEFINITION

<S>	<C>
Energy/Utilities	Companies involved in the extraction and delivery of oil and gasoline, natural gas electricity, and/or water
Finance/Insurance	Finance - (Retail & Investment Banking) Companies that provide financial services, such as all types of banks, credit institutions and investment funds. Insurance - Companies providing insurance services.
Federal Government(1)	Entities which are legislative bodies, or provide/administer civic functions.
Healthcare	Companies involved in administering medical care.
Retail	Companies involved in providing goods to retail companies.
Transportation	Companies providing means of shipment of goods or people (shipping Companies, airlines railroads).

(1) Integrator must meet the following criteria before qualifying for Federal Government Focus: Integrator must be Silver or Gold Certified; or Integrator must employ a minimum of one hundred (100) systems engineers dedicated to providing services to the Federal Government.

<TABLE>
<CAPTION>
PRODUCT SET - U.S.

DEFINITION

<S>	<C>
Multiservice Remote	700, 800, 1700, 2600, 3600, 3800, BPX, IGX Access 5200, 5300, 5800, Access Path, (1) 6100, 6200, 6400, 6500, CISCO90, UBR, UBR900, SC2200
LAN Switching	C2800, C2900, C2900XL, C3500XL, C4000, C5000, C6000, CSS 11000

(1) Access Path is comprised of 3640, 5300, AP400, and AP 531 Series Products.

Cisco may change the availability or definition of Focus areas. Such changes may adversely impact the availability of a particular Focus area to Integrator. Cisco will provide Integrator with at least thirty (30) days prior written notice of any such changes that adversely affect the availability of Focus discounts to Integrator. Cisco reserves the right to audit End User information to verify the information reported regarding sales made for a specified Focus area. In the event Cisco determines, in its sole discretion, that Integrator has reported sales as being within a Focus area whereas they were not, Cisco may, without prejudice to any other rights under the Agreement, withdraw Focus Incentive points to be applied to any future purchase and reclaim points falsely claimed. Such misrepresentation shall be deemed a material breach of the Agreement.

6. INTERNAL USE DISCOUNT

Integrator may purchase Products for Internal Use at a discount of twenty-five percent (25%) off of Cisco's then-current list price for such Products.

7. DEMONSTRATION/EVALUATION PRODUCT

To assist Integrator in its sales and marketing efforts, Integrator shall be entitled to a discount of, forty-five percent (45%) for its purchases of demonstration, evaluation, and lab equipment. This discount may be applied to a maximum total value of Cisco Products as follows:

<TABLE> <CAPTION> INTEGRATOR'S CERTIFICATION LEVEL	MAXIMUM TOTAL VALUE OF CISCO PRODUCTS* INTEGRATOR MAY PURCHASE USING 45 PERCENT DEMONSTRATION/EVALUATION/LAB DISCOUNT
<S> Gold Silver Premier	<C> \$150,000 in any 12-month period. \$100,000 in any 12-month period. \$75,000 in any 12-month period.

*Based on purchase price paid by Integrator to Cisco.

Integrator agrees to use such Products solely for demonstration/evaluation (non-production) purposes and any software received with or for such Products may not be distributed further, and software for such Products is licensed to Integrator solely for use for demonstration and evaluation purposes.

8. NON-VALUE ADDED DISCOUNT

In the event that Cisco determines in its sole discretion that Integrator is selling Cisco Product without significant added value as defined in the Agreement, the total discount for any such opportunity will be reduced to a total of ten percent (10%) off of Cisco's List Price. This remedy is without prejudice to and in addition to all other rights and remedies available to Cisco at law.

9. POS REPORTING

In the event Integrator does not provide POS information at the time of order entry, Integrator shall prepare such information in an electronic format as specified by Cisco and forward such POS information to Cisco within seven (7) days following the submission of an Order. The information shall include all that which is set forth above under "IC/POS". Cisco shall have the right to verify the information in such reports and shall be provided with reasonable proof (shippers' documentation, invoices, etc.) confirming the information on request.

Such reports shall be sent to the following e-mail address:
us1_tier_Dos8cisco.com

or such other address as Cisco may specify.

SUB-PART C. DISCOUNT SUMMARY

OPTION:

- SPECIALIZATION
- FOCUS

BASE DISCOUNT:	26%
VOLUME INCENTIVE: Volume Achievement Forecast: \$12M	4%
CERTIFICATION INCENTIVE: Gold (3%) Silver (2%)	3%
SPECIALIZATION INCENTIVE:	
WAN (2%)	—%
Security (including Advanced Security and VPNs) (2%)	—%
SNA/IP (2%)	—%
Voice Access (2%)	—%
Network Management (2%)	—%
Wireless LAN (2%)	2%
Cable (2%)	—%
IP Telephony (2%)	2%
FOCUS INCENTIVE:	
Integrator's Focus Areas:	
First Focus Area: LAN Switching (Vertical Market or Product Set)	
Second Focus Area: Multiservice (Vertical Market or Product Set)	
Total Focus Incentive discount points:	4%
NOTE: Total of Volume Incentive plus Focus Incentive cannot exceed ten percent (10% for Focus, eight (8%) for Specialization	
IC/POS (1%)	1%
TOTAL VALUE ADDED RESALE DISCOUNT - GENERAL (NON FOCUS AREAS):	38%
TOTAL VALUE ADDED RESALE DISCOUNT - REALES TO FOCUS AREA(s):	42%
SUMMARY OF OTHER DISCOUNTS:	
INTERNAL USE	25%
DEMONSTRATION/EVALUATION EQUIPMENT	45%
NON-VALUE ADDED RESALE	10%

PART 3: "NEW" DISCOUNT EXHIBIT

1. CERTIFICATION INCENTIVE

Cisco Premier, Silver and Gold Certified Partner Programs are designed to recognize and reward Partners who achieve the highest expertise in selling, designing, supporting, and servicing Cisco solutions. Certified Partners have completed comprehensive training that ensures a consistently high level of Product knowledge, technical expertise and service capabilities. Integrator's discount will be set based on the certification level Integrator has been awarded at the time it submits a particular purchase order for Products. Attainment of certification levels is governed by the requirements of Cisco's Channel Partner Program. Effective July 2, 2001, these requirements will be changed as part of the new Channel Partner Program. The new and old requirements for each certification level are provided in the URLs identified in the following table:

```

<TABLE>
<CAPTION>
PROGRAM VERSION URL
-----
<S> <C> <C>
Gold Old www.cisco.com/warp/public/765/partner_programs/certification/old/gold/requirements.shtml
      New www.cisco.com/warp/public/765/partner_programs/certification/gold/requirements.shtml
Silver Old www.cisco.com/warp/public/765/partner_programs/certification/old/silver/requirements.shtml
      New www.cisco.com/warp/public/765/partner_programs/certification/silver/requirements.shtml
Premier Old www.cisco.com/warp/public/765/partner_programs/certification/old/premier/requirements.shtml
        New www.cisco.com/warp/public/765/partner_programs/certification/premier/requirements.shtml
</TABLE>

```

Partner must comply with the requirements of a particular Program as outlined in the information provided at the associated URL in order to achieve and retain all program benefits, including any associated increase in discount.

Integrator's participation in a particular certification Program may be subject to additional requirements, including compliance with Program audit requirements. Certification requires the submission of an electronic application. The application and program transition guidelines are available at:

www.cisco.com/go/channelprograms/

Certifications are granted by country, and discount points attributable to certification will be provided based on the country specified in point of sale information provided by Integrator at time of order. Cisco may designate larger geographical areas in which certifications are effective. Such multi-national areas will be identified by Cisco to Integrator at

www.cisco.com/go/channelprograms/

2. DISCOUNT MATRICES

Discounts for Products will be as follows:

<TABLE>
<CAPTION>

INTEGRATOR'S CERTIFICATION LEVEL	INTEGRATOR'S DISCOUNT (PERCENTAGE OFF OF CISCO'S THEN-CURRENT GLOBAL PRICE LIST LIST PRICE)
<S>	<C>
Gold	42 percent
Silver	40 percent

Note: Cisco reserves the right to introduce future Product families at different discounts. Cisco will notify Integrator in writing (including by posting on CCO) at least thirty (30) days prior to the introduction of such a new family of Products.

3. INTERNET COMMERCE/POINT OF SALE REPORTING

Integrator will submit electronically complete Point of Sale information with each of its Resales of Products under this Agreement.

POS information is submitted electronically when Integrator uses IC or EDI (Electronic, Data Interchange) technology in a format agreed in advance with Cisco to submit orders electronically.

POS information must include the following:

- A. Integrator's Purchase Order number.
- B. Cisco's Product name and number.
- C. End User (name of business or organization), ship-to and bill-to address (country, state or province (US and Canada only), zip or postal code), phone number.

Cisco shall have the right to verify all POS information provided; Integrator shall provide Cisco with reasonable proof (shippers' documentation, invoices, etc.) confirming the information on Cisco's written request.

In the event Integrator does not provide POS information at the time of order entry, Integrator shall prepare such information in an electronic format as specified by Cisco and forward such POS information to Cisco within seven (7) days following the submission of an Order. The information shall include all that which is set forth above under "IC/POS". Cisco shall have the right to verify the information in such reports and shall be provided with reasonable proof (shippers' documentation, invoices, etc.) confirming the information on request.

Such reports shall be sent to the following e-mail address:
us1_tier_DosQcisco.com

or such other address as Cisco may specify.

4. INTERNAL USE DISCOUNT

Integrator may purchase Products for Internal Use at a discount of twenty-five (25) percent off of Cisco's then current list prices for such Products.

5. DEMONSTRATION/EVALUATION/LAB PRODUCT DISCOUNT

To assist Integrator in its sales and marketing efforts, Integrator shall be entitled to a discount of forty-five percent (45%) for its purchases of demonstration, evaluation, and lab equipment. This discount may be applied to a maximum total value of Cisco Products as follows:

<TABLE>

<CAPTION>

INTEGRATOR'S MAXIMUM TOTAL VALUE OF CISCO PRODUCTS* INTEGRATOR MAY PURCHASE USING
CERTIFICATION LEVEL 45 PERCENT DEMONSTRATION/EVALUATION/LAB DISCOUNT

<S>

<C>

Gold	\$150,000 in any 12-month period.
Silver	\$100,000 in any 12-month period.
Premier	\$ 75,000 in any 12-month period.

</TABLE>

*Based on purchase price paid by Integrator to Cisco.

Integrator agrees to use such Products solely for demonstration/evaluation (non-production) purposes and any software received with or for such Products may not be distributed further, and software for such Products is licensed to Integrator solely for use for demonstration and evaluation purposes.

CISCO BRAND SERVICES RESALE EXHIBIT

This Support Exhibit ("Exhibit") supplements the Agreement and all the terms and conditions of the Agreement apply to this Exhibit; provided, that to the extent there is a conflict between the Agreement and this Exhibit, the terms of this Exhibit shall take precedence over the terms and conditions of the Agreement with regard to the subject matter described herein.

1. DEFINITIONS.

- 1.1 "Bug Fix" means an error correction, patch or workaround for the Software which Cisco provides to Distributor.
- 1.2 "CCO" means Cisco Connection Online, Cisco's online information web server.
- 1.3 "Equipment Schedule" means the approved Cisco-provided list of Product covered under each End User's Support Agreement, where applicable.
- 1.4 "First Call" means the initial call made by the End User when requesting assistance with Product.
- 1.5 "Other Product" means Product which an End User acquired from sources other than Integrator.
- 1.6 "Services" mean the Cisco brand services listed in Attachment 1 which are available for resell to End User.
- 1.7 "Support Agreement" means the then-current agreement for the Services.

2. SCOPE The support hereunder is intended for Integrators which do not support End Users under their own brand of service. Integrator, in lieu of providing service directly, will resell Cisco brand Services to be delivered directly by Cisco to the End User as described herein.

3. CISCO RIGHTS AND OBLIGATIONS. For each End User to which Integrator resells Cisco brand services, Cisco will provide, in accordance with the following terms and conditions, Services directly to Integrator's End User as described herein.

- 3.1 CCO Access. Cisco will provide an appropriate level of partner access to CCO. This system provides Integrator with technical and general information on Products.
- 3.2 Warranty. For the duration of the Cisco warranty period, Cisco will provide Bug Fixes and Hardware replacement service to Integrator as follows:
 - 3.2.1 Bug Fixes.
 - 3.2.1.1 When required, Cisco will provide new Software to Integrator to correct a problem, or provide a network-bootable Software image, as determined by Cisco.

- 3.2.1.2 Distribution Rights. Cisco grants Integrator the right to distribute Bug Fixes to its End Users provided the End User is currently licensed to use the Software.
 - 3.2.2 Hardware Support. Cisco will replace Product in accordance with the warranty terms set forth in the published Product warranty provided with the original Product.
- 3.3 Resale of Services.
 - 3.3.1 Service Availability. Cisco will make the Services listed in Attachment 1 to this Exhibit available to Integrator to resale to Integrator's End Users. Services are subject to the availability limitations specified in Attachment 1.
 - 3.3.2 Resale Options. Cisco provides two means of reselling Cisco brand services to End Users, a partner managed option and a pass through option as described below.
 - 3.3.2.1 Partner Managed. Under this option, Integrator may take the First Call from the End User and may open a case with Cisco on behalf of the End User using End User's Support Agreement number. At all times the End User has the option of calling Cisco directly for support. In addition, Integrator may request email notification whereby Cisco notifies Integrator of End User activity with Cisco.
 - 3.3.2.2 Pass Through. Under this option, all interaction is solely between Cisco and the End User. The End User calls and open cases directly with Cisco.
 - 3.3.2.3 Option Selection. Integrator must choose either the partner managed or pass through option on the Cisco Support Resale Form (Attachment 2). If Integrator does not select an option, Cisco will assume the pass through option applies.
- 3.4 Support Agreements. Support will be provided to End Users pursuant to a Support Agreement between Cisco and End User. The Support Agreements to be used are provided by Cisco. Notwithstanding anything to the contrary, nothing in this Exhibit shall require Cisco to execute a Support Agreement with an End User.
 - 3.4.1 Prior to commencing Services for an End User, Cisco must receive the documents specified in Section 4.12 of this Exhibit whereupon Cisco will:
 - 3.4.1.1 Validate Product model and serial numbers.
 - 3.4.1.2 Confirm by executing and returning the Support Agreement, and providing an Equipment Schedule (excluding charges) and the Support Agreement number to the End User.
 - 3.4.1.3 Provide a copy of the Equipment Schedule (including charges) and Support Agreement number to Integrator.

4. INTEGRATOR RIGHTS AND OBLIGATIONS.

- 4.1 Resale of Services. Subject to the terms and conditions of this Exhibit, Integrator is authorized on a non-exclusive basis to resell the Services to End Users, according to the following process:
- 4.1.1 Integrator resells the Services to an End User, providing the End User with a copy of the relevant Support Agreement for review and signature. Integrator may not make any modification(s) to the Support Agreement.
 - 4.1.2 Cisco requires the following documents from Integrator prior to commencing Services to End Users:
 - 4.1.2.1 Completion and submission of a Resale Form (Attachment 2 to this Exhibit).
 - 4.1.2.2 Signed Support Agreement by the End User sent to the following address:

Cisco Systems, Inc.
Service Business Operations (Contracts)/Customer Advocacy
170 West Tasman Drive
San Jose, CA 95134
 - 4.1.2.3 Valid purchase order for the applicable service price from Integrator.
 - 4.1.2.4 Completed Letter of Assurance, a copy of which is provided with the Support Agreement when applicable.
 - 4.1.2.5 Integrator's submission of incomplete or incorrect documents, including unauthorized modifications to a Support Agreement, will delay execution and return of the Support Agreement.
 - 4.1.3 Renewal of Support Agreements. The End User's Support Agreement will be renewed according to whether the pass through or the partner managed option has been selected by Integrator as follows:
 - 4.1.3.1 Partner Managed. Under the partner managed option, Cisco renews the Support Agreement through Integrator. Forty five (45) days prior to renewing the Equipment Schedule to the Support Agreement, Cisco will send a renewal notice to Integrator. Upon receipt of Cisco's notice of renewal of the Equipment Schedule for the End User, Integrator will forward to Cisco either (i) the completed renewal with purchase order or (ii) notice of cancellation. If renewal or notice of cancellation is not received by Cisco by the renewal date of the Equipment Schedule, Cisco reserves the right to renew directly with the End User.
 - 4.1.3.2 Pass Through. Under the pass through option, Cisco will renew all Support Agreements directly with the End User. Integrator is not involved in the renewal of Service delivered through the pass through option.

- 4.1.4 Responsibilities under Partner Managed Option.
 - 4.1.4.1 All calls opened by Integrator on behalf of the End User shall be handled and escalated in accordance with the Cisco's Problem Prioritization and Escalation Guideline (Appendix A).
 - 4.1.4.2 Equipment Schedule.
 - 4.1.4.2.1 For all Services, Product covered under an End User's Support Agreement is listed in the Equipment Schedule(s).
 - 4.1.4.2.2 Integrator must provide, thirty (30) days notice of requested addition(s) to the Equipment Schedule. In addition, thirty (30) days notice is required for Product relocations and service level/Product configuration changes, where applicable. For Product on the Equipment Schedule which End User has moved to a new location, Integrator will notify Cisco in writing (i.e., facsimile, electronic mail or using CCO).
 - 4.1.4.2.3 The Equipment Schedule may be revised for new Product, service level upgrades and Product configuration changes by Integrator's purchase order requesting such revisions and Cisco's acceptance thereof (based on availability). For changes, Cisco will charge the pro-rated difference from when the change is requested to the end of the impacted Equipment Schedule's term.

4.2 Warranty Service.

- 4.2.1 Integrator shall provide to its End Users, at no charge, all warranty service for a minimum of the warranty period set forth in the published Product warranty provided with the original Product. Warranty shall commence upon shipment to the End User. Warranty service consists of the following Software and Hardware replacement services:
 - 4.2.1.1 Integrator will distribute Bug Fixes to the End User during the warranty period.
 - 4.2.1.2 Integrator will meet the replacement obligations as set forth in the then-current published Product warranty applicable to the particular Product sold to the End User.
- 4.2.2 Returns Coordination. For Product returned to Cisco for replacement under warranty, Integrator will comply with the following:
 - 4.2.2.1 Coordinate the return of all failed parts, freight and insurance prepaid, to the Cisco designated location. For Product that has been advance replaced pursuant to the Product warranty terms, Integrator shall return failed/defective Product within ten (10) days of receipt of the

replacement Product; otherwise, Product will be invoiced to Integrator at the then current list price.

4.2.2.2 Comply with the following RAM procedure:

4.2.2.2.1 Ensure all Products are properly packaged prior to being shipped, and will include a written description of the failure and specification of any changes or alterations made to the Product. Product returned to Cisco will conform in quantity and serial number to the RMA request.

4.2.2.2.2 Tag each Product returned with the RMA transaction number and a brief description of the problem.

4.3 Unsupported End User List. Integrator must provide information on all End Users who have purchased Product from Integrator without also purchasing Services. Each quarter, Cisco will provide a report identifying the model types and serial numbers of Product purchased by Integrator for which the following information is required: End User name, address and phone number. Integrator will complete and return this information to Cisco no later than twenty (20) business days from the date the report is provided to Integrator.

5. PRICE AND PAYMENT TERMS.

5.1 Discount for Initial Term. For the initial term of the Equipment Schedule(s) to the Support Agreement, the price of Services to Integrator is the then-current service list price less the applicable discount based on Integrator's penetration rate calculated as follows:

5.1.1 Determination of Service Penetration Rate. Service penetration rate is calculated by Integrator's total number of Products covered by Cisco brand services (per Attachment 1) as a percentage of the total number of Products purchased over a period of twelve (12) months, starting from fourteen (14) months prior to the Effective Date of the Agreement.

<TABLE>
<CAPTION>
Penetration Rate Discount

<S> <C>
0%-35% 10%
36%-55% 15%
56%-74% 20%
75%+ 25%
</TABLE>

5.1.2 Integrator's resale discount is listed in Appendix B to this Exhibit. Cisco will review Integrator's actual service sales penetration at six month intervals and reserves the right to adjust Integrator's resale discount at the time of review.

5.1.3 Integrator must have purchased Product for a minimum of twelve months in order to determine the penetration rate. If Integrator has less than twelve months of Product purchases, Integrator's discount will be ten percent (10%).

5.1.4 Integrator's discount on Services shall be determined by calculating the rate of Services penetration solely on Product purchased by Integrator under this Agreement.

- 5.2 Upon renewal of the Equipment Schedule(s), the discount will be as follows: Under the partner-managed resale option, the discount shall be the corresponding discount associated with the Penetration Rate. Under the pass through option, Integrator will not receive a discount as Cisco renews directly with End User.
- 5.3 The discounts listed above do not apply when Integrator resells Cisco brand services for Other Product. Integrator discount for Other Product shall be fifteen percent (15%).
- 5.4 All Services are invoiced annually in advance, payable thirty (30) days from the invoice date in U.S. Dollars unless otherwise agreed to in the Agreement.
- 5.5 All prices in the Equipment Schedule(s) are exclusive of any taxes and duties which, if applicable, shall be paid by Integrator. Applicable taxes are billed as a separate item. In addition, the following items will be billed to Integrator: time and material fees and Product list price of replaced Product not returned pursuant to the terms of End User's Support Agreement.
- 5.6 This Agreement may be terminated by Cisco and/or Cisco may suspend its performance immediately upon Notice if (i) Integrator does not provide the Unsupported End User List pursuant to Section 4.3 within thirty (30) days after the end of the previous quarter and after Notice from Cisco or (ii) Integrator fails to pay for the Services when due and fails to make such payment within fifteen (15) days after Notice from Cisco of such past due payment. Notwithstanding the above, Cisco shall have the right to seek payment for Services directly from the End User in the event Integrator does not remit payment to Cisco pursuant to the payment terms.
- 5.7 Integrator is free to determine its resale prices unilaterally. Integrator understands that neither Cisco, nor any employee or representative of Cisco, may give any special treatment (favorable or unfavorable) to Integrator as a result of integrator's selection of resale prices. No employee or representative of Cisco or anyone else has any authority to specify what Integrator's resale prices for the Services must be, or to inhibit in any way, Integrator's pricing discretion with respect to the Services.
- 5.8 Support for Other Product. Integrator may support Other Product under the following conditions: Integrator provides Cisco (i) a request to support Other Product and (ii) a letter from the End User including a request for Service from the Integrator and a list of the Product(s) and serial number(s) to be supported.

6. GENERAL

- 6.1 Entitlement. Integrator acknowledges that an End User is entitled to receive support services only on Product for which Integrator has paid the applicable support fees. Integrator agrees to assist Cisco with enforcement of End User entitlement as necessary.
- 6.2 Disclosure of Contract Information. Integrator acknowledges and agrees that in no event shall any of the information contained in this Exhibit or integrator's Agreement number be disclosed to any third party.
- 6.3 Representations and Warranties. Integrator shall not make any representations or warranties on behalf of Cisco, except as expressly

authorized herein or as expressly authorized by Cisco in writing. Neither Integrator nor Cisco will make any obligation to End Users on behalf of the other, nor commit the resources of the other to End Users.

- 6.4 Independent Contractors. The relationship of Cisco and Integrator established by this Exhibit is that of independent contractors, and nothing contained in this Exhibit shall be construed to (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the parties as joint venturers, co-owners or otherwise as participants in a joint or common undertaking,, or (iii) allow Integrator to create or assume any obligation on behalf of Cisco for any purpose whatsoever. All financial obligations associated with Integrators business are the sole responsibility of Integrator. All sales and other agreements between Integrator and its End Users are Integrator's exclusive responsibility and shall have no effect on Integrator's obligations under this Agreement. Integrator shall be solely responsible for, and shall indemnify and hold Cisco free and harmless from, any and all claims, damages or lawsuits (including Cisco's attorneys' fees) arising out of the acts of Integrator, its employees or its agents.
- 6.5 Indemnification. Integrator hereby indemnifies and holds Cisco harmless from any claim, loss, damage or expense, including reasonable court costs and attorney's fees, resulting from any claim made by End User against Cisco hereunder under claim of a third party beneficiary or otherwise. This shall not limit Cisco's obligations, subject to the terms and conditions of this Agreement, to provide the Services described herein.

ATTACHMENT 1 TO EXHIBIT D
SERVICES AVAILABILITY

<TABLE>
<CAPTION>

Service	Availability
SMARTnet 8x5xNext Business Day ("NBD")	Available in the U.S., Canada, Australia, European Union, Switzerland, Norway
SMARTnet 8x5x4(1)	Available in the U.S., Canada and Australia
SMARTnet 24x7x4(1)	Available in the U.S., Canada and Australia
SMARTnet Onsite 8x5xNBD	Available in the US., Canada and Australia
SMARTnet Onsite 8x5x4(1,2)	Available in the U.S, Canada and Australia
SMARTnet Onsite 24x7x4(1,2)	Available in the U.S., Canada and Australia
Software Application Services ("SAS")	Available in the U.S., Canada, Australia, European Union, Switzerland, Norway
Software Application Services with Updates ((degree)SASU')	

</TABLE>

A CURRENT LIST OF SERVICES IS PROVIDED ABOVE. LIST MAY BE UPDATED FROM TIME TO TIME. CURRENT INFORMATION IS AVAILABLE UPON REQUEST.

1. Availability is restricted to within one hundred (100) miles of a parts depot.
2. Availability is restricted to within fifty (50) miles of an authorized service location.

ATTACHMENT 2 TO EXHIBIT D
CISCO SUPPORT RESALE FORM

This form MUST be completed by Integrator for each order to resell Cisco brand Services to End Users.

Completion of this form will ensure:

- Integrators receive the appropriate discounts.
- Integrator's End Users receive the entitled level of service and support.
- Partner Notification e-mail is setup for Integrator.

STEP 1- Select Resale Option

- Pass-through Option: Cisco delivers support, Cisco renews direct with End User.
- Partner Managed Option: Cisco delivers support, Integrator manages renewal, Integrator first call optional Partner Notification optional.

STEP 2 -Complete Integrator billing information. (required for both resale options)

INTEGRATOR: Name and Billing Address (as they appear on Purchase Order):

Same as Sales Order Bill-to

Name: _____

Address: _____

City/State: _____

Country: _____

Postal Code: _____

Contact/ Phone No.: _____

Channel Certification Level: _____

PARTNER NOTIFICATION E-MAIL ADDRESS OR ALIAS (for Partner Managed Option)
Address or Alias: _____ (i.e. Integrator_TAC@Integrator.com)
Required if you would like to receive automatic notification of End User activity with Cisco on this Support Agreement.

Step 3 - Complete End User billing information (required for pass-through option only)

END USE: Name and Billing Address (as they appear on Purchase Order): ? Same as Sales Order Ship-to

Name: _____

Address: _____

City/State: _____

Country: _____

Postal Code: _____

Contact/Phone No.: _____

STEP 4 - Complete Coverage Type, site details and existing contract information (required for both resale options)

End Customer Name:

Product Type:

Str:

Original Product Purchase Order:

City:

Serial Number:

State/Postal Code:

End User Existing Support Agreement Number:

ATTN:

Phone/Fax:

Product/Serial No.

ADDITIONAL SITES WORKSHEET

End Customer Name:
Str:
City:
State/Postal Code:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:
End User Existing Support Agreement Number:

End Customer Name:
Str:
City:
State/Postal Code:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:
End User Existing Support Agreement Number:

End Customer Name:
Str:
City:
State/Postal Code:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:
End User Existing Support Agreement Number:

SMARTnet 8x5xNBD

SMARTnet8x5x4

SMARTnet24x7x4

End Customer Name:
Str:
City:
State/Postal Code:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:
End User Existing Support Agreement Number:

APPENDIX A
CISCO PROBLEM PRIORITIZATION AND ESCALATION GUIDELINE

To ensure that all problems are reported in a standard format, Cisco has established the following problem priority definitions. These definitions will assist Cisco in allocating the appropriate resources to resolve problems. Integrator must assign a priority to all problems submitted to Cisco. PROBLEM PRIORITY DEFINITIONS:

- Priority 1: An existing network is down or there is a critical impact to the End User's business operation. Cisco, Integrator and End User will commit full-time resources to resolve the situation.
- Priority 2: Operation of an existing network is severely degraded, or significant aspects of the End Users business operation are being negatively impacted by unacceptable network performance. Cisco, Integrator and End User will commit full-time resources during Standard Business Hours to resolve the situation.
- Priority 3: Operational performance of the network is impaired while most business operations remain functional. Cisco, Integrator and End User are willing to commit resources during Standard Business Hours to restore service to satisfactory levels.
- Priority 4: Information or assistance is required on Cisco product capabilities, installation, or configuration. There is clearly little or no impact to the End User's business operation. Cisco, Integrator and End User are willing to provide resources during Standard Business Hours to provide information or assistance as requested.

Cisco encourages Integrator to reference this guide when Integrator-initiated escalation is required. If Integrator does not feel that adequate forward progress or the quality of Cisco service is satisfactory, Cisco encourages Integrator to escalate the problem ownership to the appropriate level of Cisco management by asking for the TAC Duty Manager.

CISCO, ESCALATION GUIDELINE:

<TABLE>
<CAPTION>
Elapsed Time

Elapsed Time	Priority 1	Priority 2	Priority 3	Priority 4
<S>	<C>	<C>	<C>	<C>
1-Hour	Customer Engineering Manager			
4-Hour	Technical Support Director	Customer Engineering Manager		
24-Hour	Vice President Customer Advocacy	Technical Support Director		
48-Hour	President (CEO)	Vice President Customer Advocacy		
72-Hour			Customer Engineering Manager	
96-Hour		President (CEO)	Technical Support Director	Customer Engineering Manager

</TABLE>

Note: Priority 1 problem escalation times are measured in calendar hours 24 hours per day, 7 days per week. Priority 2, 3 and 4 escalation times correspond with Standard Business Hours. The Cisco Manager to which the problem is escalated will take ownership of the problem and provide the Integrator with updates. Cisco recommends that Integrator-initiated escalation begin at the Customer Engineering Manager level and proceed upward using the escalation guideline shown above for reference. This will allow those most closely associated with the support resources to correct any service problems quickly.

ACCESSING TAC:

North America, South America: +1-800-553-2447 (within the United States)
+1-408-526-7209

Europe, Middle East, Africa: +32-2-778-4242
Asia Pacific: +1-800-805-227 (within Australia)
+61-2-9935-4107

APPENDIX B

CISCO BRAND SERVICES RESALE DISCOUNT

Integrator's discount 25%

EXHIBIT D
NETWORKED COMMERCE ATTACHMENT

This Networked Commerce Attachment ("Attachment") supplements the Agreement and all the terms and conditions of the Agreement apply to this Attachment; provided, that to the extent that there is conflict between the Agreement and this Attachment, the terms of this Attachment shall take precedence over the terms and conditions of the Agreement with regards to the subject matter described herein.

1. Integrator may enroll in Cisco's Marketplace Internetworking Product Center (the "Program") by returning the form set forth in Attachment 1 indicating the users of Integrator who are authorized to submit electronic orders on behalf of Integrator ("Authorized Users"). Upon execution of the Agreement by Cisco and Integrator, Cisco will entitle those users to submit electronic orders. The Program allows direct Integrators and partners to configure, price, and route orders and then submit them electronically.
2. Integrator agrees that the person using the Program address/password is an Authorized User and has the capacity and authority to place orders for Cisco Products and services on behalf of Integrator, and Program password security is the responsibility of Integrator. Cisco and Integrator agree that an order placed through the Program is the equivalent of a signed purchase order.
3. Integrator shall have the right to change, add or delete Authorized Users upon written notification, with verification of receipt, to Cisco. Cisco agrees to implement such changes, additions or deletions within twenty-four (24) hours of receipt of such written notification.
4. Integrator's participation in the Program may be terminated by Cisco, with or without cause, upon fifteen (15) days written notice to Integrator.
5. Cisco reserves the right to accept or decline any purchase order submitted via the Program.
6. Integrator agrees that a Cisco invoice may be the only documentation provided by Cisco for purchase and payment of Cisco's Products and services ordered via the Program.
7. The parties agree that Cisco shall not be liable for any incidental, consequential or special damages arising from, or as a result of, the electronic transmission of orders or other information even if Cisco has been advised of the possibility of such damages.
8. Integrator agrees to waive any future challenge to the validity and enforceability of any order submitted via the Program on the grounds that it was electronically transmitted and authorized.
9. Integrator is responsible for all costs and charges, including without limitation, phone charges and telecommunications equipment, incurred in order to use the Program.

EXHIBIT F
SPECIAL LICENSE TERMS

DEFINITIONS APPLICABLE TO ALL SPECIAL LICENSES

Service Provider means an entity which has acquired Cisco's Products in order to create and provide Network Services to End Users.

Network Services include the following services: access to the Internet and data transmission and value-added telecommunications services related to such transmission, including managed network services whereby Service Provider manages network elements belonging to or located at the premises of End Users in conjunction with telecommunications services to End Users by Service Provider.

CISCO NAM SOFTWARE

1.0 DEFINITIONS

Central NAM Software means a software system that is configured to handle initial route requests from the Integrator network. Central NAM Software is capable of handling a variety of initial routing requests to completion, and uses scripting logic to return a network label to the Integrator network. This label instructs the network on where to deliver the call. The Central NAM Software also forwards some route requests to dedicated CICM Software.

Central Site Software means the Software known as the Central NAM Software and CICM Software which must be centrally located at Integrator's site in order to provide call center services to Integrator's End Users.

CICM Software means the Software known as the Customer Intelligent Contact Management ("CICM") Software which are installed at Integrator's central site, dedicated to a specific End User and connected to Remote Site Software.

CISCO NAM Software means Software, which Cisco designates as the Network Applications Management ("AM) Software and associated tools and utilities.

Remote Site Software(s) means that portion of the CISCO NAM Software that must be installed at an End User site in order for such End User to receive call center services from the Integrator or which is installed centrally at Integrator's central site and End User has access to same. Remote Site Software means the Software known as the CISCO Peripheral Gateway, CISCO Admin Workstation, CISCO Gateway Partitioning and other CISCO Software deployed to a specific Customer and a specific CICM Software instance.

2.0 LICENSE RESTRICTIONS

2.1 If CISCO NAM Software is licensed to a Service Provider by an Integrator, Integrator may grant Service Provider the non-exclusive, non-transferable license to distribute Remote Site Software in the Territory to its End Users subject to these Special License Terms on a temporary basis while Service Provider is providing call center services via the CISCO NAM Software to such End User. Service Provider's license to such End User must be via a Sublicense between Service Provider and End User where this Sublicense meets the requirements set forth in the Agreement to which this Exhibit is attached. Integrator shall ensure that Service Provider is bound and will abide by the Special License Terms for CISCO NAM Software.

- 2.2 CISCO NAM Software may be used internally in Integrator's organization and may be used as a component of a service offering to third parties.
- 2.3 Integrator may only distribute and grant access to Remote Site Software via a Sublicense to End Users who may use this Software only during the period where an Integrator is providing call center services to the End User via the Software.
- 2.4 Once call center services between Integrator and End User have ceased, End User will cease using and return the Remote Site Software to Integrator. Once returned, integrator may redeploy the CICM Software and redeploy Remote Site Software which were dedicated to that former End User to another End User subject to Cisco's then-current redeployment policies and fees.
- 2.5 If Integrator has purchased Advanced Services Customer Program Licenses, then Integrator may only deploy the total number of Advanced Services Customers listed on the Order. Each Advanced Services Customer must be entered as a customer in the CICM configuration and correspond to an entry in the Customer Definition Table for the CICM instance in which that Customer is defined. Each Advanced Services Customer entry in a Customer Definition Table (Central NAM or CICM Software) must have an Advanced Services Customer Program License.
- 2.6 If Integrator has purchased a CICM Software license, then Integrator may install a single instance of the CICM application under this license. A CICM instance has an independent CICM database, its own set of Windows NT registry configuration entries, and its own set of TCP/IP service ports for communication with other CICM system components. Each such instance is an independent CICM for purposes of the license grant, whether there is a single CICM instance or multiple CICM instances installed on the underlying hardware.
- 2.7 The End Users license to use the Software(s) shall terminate by (1) End User's breach of the terms and conditions of the Software License Agreement as modified or (2), if Integrator ceases performing call center services via the Software to End User. Once End Users license terminates, End User shall discontinue using the Software and return any Software in its possession to Integrator.
- 3.0 REDEPLOYMENT POLICIES AND FEES
- 3.1 Integrator may only redeploy each CICM Software from supporting one End User to supporting another End User once in each twelve (12) month period with the first such redeployment period beginning upon the shipping date of such Software and ending twelve (12) months thereafter and the second such redeployment period commencing on the expiration of the first such period and so on. The redeployment fees due Cisco as the result of such redeployment shall equal twenty (20%) of the list price of such CICM Software at the time this redeployed Software was first ordered.
- 3.2 The redeployment fees due Cisco as the result of a redeployment of Remote Site Software from supporting one End User CICM Software instance to another shall equal twenty (20%) of the list price of such Remote Site Software at the time this redeployed Software was first ordered.
- 3.3 With respect to the redeployment of Remote Site Software, should this software be redeployed by connecting it to a different type of target platform, Cisco will charge Integrator a license conversion fee equal to ten (10%) of the list price of the Software connecting to the new target platform at the time the licenses are converted. Furthermore, should this software be redeployed by connecting it to a new target platform and there is a difference between the list price of the

Software connecting to the existing platform at the time this Software was first ordered and the list price of the Software connecting to the new target platform at the time of conversion and the list price for the Software connecting to the new target platform is greater, Integrator will pay Cisco the difference between these two prices after applying Integrator's current discount for the Software. No credit will be given to Integrator should the list price for the Software connecting to the new target platform be less than the list price for the Software connecting to the existing platform.

- 3.4 The redeployment and conversion fees specified herein do not include any charges or expenses for any services Cisco performs at the request of Integrator in relation to the redeployed or converted Software. Redeployment and conversion fees shall be due upon redeployment or conversion as the case may be.
- 3.5 Should Integrator need to inventory CICM Software and Remote Site Software because same cannot be redeployed immediately, Integrator may take these inventoried items off support; however, to reestablish support for these items, Cisco will charge Integrator a reinstatement fee equal to the support fees not paid that would have been paid, if the Software had been continuously covered by support plus twenty-five (25) percent of same.

CISCO ICM SOFTWARE

CISCO ICM Software may only be used internally to Integrator's or End User's organization and may not be used as a component of a service offering to third parties; additionally, Integrators may distribute this ICM Software to Service Providers or End Users via a Sublicense for its internal use under the terms and conditions of the Agreement to which this Exhibit is attached.

If customer, whether an Integrator or End User, has purchased an ICM Software license, then such customer may install a single instance of the ICM application under this license. An ICM instance has an independent ICM database, its own set of Windows NT registry configuration entries, and its own set of TCP/IP service ports for communication with other ICM system components. Each such instance is an independent ICM for purposes of the license grant, whether there is a single ICM instance or multiple ICM instances installed on the underlying hardware.

CISCO CUSTOMER INTERATION SUITE SOFTWARE

The CISCO Customer Interaction Suite Software may only be used internally to Integrator's or End User's organization and may not be used as a component of a service offering to third parties; additionally, Integrators may distribute this Software to Service Providers or End Users via a Sublicense under the terms and conditions of the Agreement to which this Exhibit is attached.

EXHIBIT S
END USER LICENSE AND SOFTWARE WARRANTY

SOFTWARE LICENSE AGREEMENT

PLEASE READ THIS SOFTWARE LICENSE CAREFULLY BEFORE DOWNLOADING, INSTALLING OR USING CISCO OR CISCO-SUPPLIED SOFTWARE.

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- Customer's use of the Software shall be limited to use on a single hardware chassis, on a single central processing unit, as applicable, or use on such greater number of chassis or central processing units as Customer may have paid Cisco the required license fee; and
- Customer's use of the Software shall also be limited, as applicable and set forth in Customer's purchase order or in Cisco's product catalog, user documentation, or web site, to a maximum number of (a) seats (i.e. users with access to the installed Software), (b) concurrent users, sessions, ports, and/or issued and outstanding IP addresses, and/or (c) central processing unit cycles or instructions per second. Customer's use of the Software shall also be limited by any other restrictions set forth in Customer's purchase order or in Cisco's product catalog, user documentation or web site for the Software.

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- (ii) make error corrections to or otherwise modify or adapt the Software or create derivative works based upon the Software, or to permit third parties to do the same; or
- (iii) decompile, decrypt, reverse engineer, disassemble or otherwise reduce the Software to human-readable form to gain access to trade secrets or confidential information in the Software.

To the extent required by law, at Customer's request, Cisco shall provide Customer with the interface information needed to achieve interoperability between the Software and another independently created program, on payment of Cisco's applicable fee. Customer shall observe strict obligations of confidentiality with respect to such information.

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TERM AND TERMINATION. This License is effective until terminated. Customer may terminate this License at any time by destroying all copies of Software including any documentation. Customer's rights under this License will terminate immediately without notice from Cisco if Customer fails to comply with any provision of this License. Upon termination, Customer must destroy all copies of Software in its possession or control.

CUSTOMER RECORDS. Customer grants to Cisco and its independent accountants the right to examine Customer's books, records and accounts during Customer's normal business hours to verify compliance with this Agreement. In the event such audit discloses non-compliance with this Agreement, Customer shall promptly pay to Cisco the appropriate licensee fees.

EXPORT. Software, including technical data, may be subject to U.S. export control laws, including the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. Customer agrees to comply strictly with all such regulations and acknowledges that it has the responsibility to obtain licenses to export, re-export, or import Software.

U.S. GOVERNMENT END USERS. The Software and associated software documentation qualify as "commercial items," as that term is defined at 48 CF.R. 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212. Consistent with 48 C.F.R. 12212 and 48 C.F.R. 227.7202-1 through 227.7202-4, Licensee will provide to Government end user, or, if this Agreement is direct Government end user will acquire, the Software and software documentation with only those rights set forth herein that apply to nongovernmental customers. Use of this Software and software documentation constitutes agreement by the government entity that the computer software and computer software documentation is commercial, and constitutes acceptance of the rights and restrictions herein.

LIMITED WARRANTY

Cisco Systems, Inc. or the Cisco Systems, Inc. subsidiary licensing the Software, if sale is not directly by Cisco Systems, Inc. ("Cisco") warrants that commencing from the date of delivery to Customer (but in case of resale by a Cisco reseller, commencing not more than ninety (90) days after original shipment by Cisco), and continuing for a period of the longer of (a) ninety (90) days or (b) the period set forth in the Warranty Card accompanying the Product (if any): (a) the media on which the Software is furnished will be free of defects in materials and workmanship under normal use; and (b) the Software substantially conforms to its published specifications. The date of shipment of a Product by Cisco is set forth on the packaging material in which the Product is shipped. Except for the foregoing, the Software is provided AS IS. This limited warranty extends only to the Customer who is the original licensee. Customer's sole and exclusive remedy and the entire liability of Cisco and its suppliers under this limited warranty will be, at Cisco or its service center's option, repair, replacement, or refund of the Software if reported (or, upon request, returned) to the party supplying the Software to Customer, if different than Cisco. In no event does Cisco warrant that the Software is error free or that Customer will be able to operate the Software without problems or interruptions. In addition, due to the continual development of new techniques for intruding upon and attacking networks, Cisco does not warrant that the Software or any equipment, system or network on which the Software is used will be free of vulnerability to intrusion or attack.

RESTRICTIONS. This warranty does not apply if the Product (a) has been altered, except by Cisco, (b) has not been installed, operated, repaired, or maintained in accordance with instructions supplied by Cisco, (c) has been subjected to abnormal physical or electrical, stress, misuse, negligence, or accident; or (d) is licensed, for beta, evaluation, testing or demonstration purposes for which Cisco does not receive a payment of purchase price or license fee.

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DURATION TO THE WARRANTY PERIOD. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, THE ABOVE LIMITATION MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM JURISDICTION TO JURISDICTION. This disclaimer and exclusion shall apply even if the express warranty set forth above fails of its essential purpose.

GENERAL TERMS APPLICABLE TO THE LIMITED WARRANTY STATEMENT AND SOFTWARE LICENSE

DISCLAIMER OF LIABILITIES. IN NO EVENT WILL CISCO OR ITS SUPPLIERS BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR DATA, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY ARISING OUT OF THE USE OF OR INABILITY TO USE SOFTWARE EVEN IF CISCO OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall Cisco's or its suppliers' liability to Customer, whether in contract, tort (including negligence), or otherwise, exceed the price paid by Customer. The foregoing limitations shall apply even if the above-stated warranty fails of its essential purpose. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATION OR EXCLUSION OF CONSEQUENTIAL OR INCIDENTAL DAMAGES, THE ABOVE LIMITATION MAY NOT APPLY TO YOU.

The Warranty and the Software License shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflict of laws, provided that for Customers located in a member state of the European Union, Norway or Switzerland, English law shall apply. The United Nations Convention on the International Sale of Goods shall not apply. If any portion hereof is found to be void or unenforceable, the remaining provisions of the Warranty and the Software License shall remain in full force and effect. Except as expressly provided herein, the Software License constitutes the entire agreement between the parties with respect to the license of the Software and supersedes any conflicting or additional terms contained in the purchase order.

If Customer has entered into a contract directly with Cisco for supply of the Products subject to this warranty, the terms of that contract shall supersede any terms of this Warranty or the Warranty Card, or the Software License, which are inconsistent with that contract. Customer acknowledges that: the Internet URL address and the web pages referred to in this document may be updated by Cisco from time to time; the version in effect at the date of delivery of the Products to the Customer shall apply.

STANDARD SALES AGREEMENT SUMMARY FORM/NON-NEGOTIATED

Company Name/Address: Internetwork Experts, Inc.
15960 Midway Road, Suite 101
Addison, Texas 75001
Attn: Gary Derheim
(469) 791-4800

No terms require compliance

Contract Type: SI SP SP Telco
 Dist VPA Gov't
 ICSG LOI/LOA/MOU
 Affiliate Other

SI Agreement renewal the Dual Discount exhibit.

Payment Currency:

LCA signed Currency: USD CAD AUD Japan Other

Account Manager: Valerie Corniello

Contract Negotiator: Emilie Fukada

AMENDMENT 1 TO SYSTEMS INTEGRATOR AGREEMENT

This Amendment Number 1 (the "AMENDMENT") is made by and between Cisco Systems, Inc., a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, CA, 95134 ("CISCO"), and InterNetwork Experts, Inc., a Delaware corporation having its principal place of business at 15960 Midway Rd., Suite 101, Addison, Texas, 75001 ("INTEGRATOR"), and is entered into as of the date last written below (the "EFFECTIVE DATE").

WHEREAS, Cisco and Integrator have previously entered into the Cisco Systems Inc. Systems Integrator Agreement dated November 13, 2000, including amendments to that agreement, if any (the "AGREEMENT"); and

WHEREAS, the parties desire to amend the Agreement to accomplish the foregoing purposes;

NOW THEREFORE, the parties agree to amend the Agreement as follows:

- 1. The attached "EXHIBIT ___: eAgent Program Terms and Conditions" is hereby added to the Agreement.
- 2. All other terms and conditions of the Agreement remain unchanged.

ENTIRE AGREEMENT: This EXHIBIT, as supplemented by non-conflicting terms of the Agreement, is the complete agreement between the parties hereto concerning the subject matter of this EXHIBIT and replaces any prior oral or written communications between the parties. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified herein. This EXHIBIT may only be modified by a written document executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this EXHIBIT to be duly executed. Each party warrants and represents that its respective signatories whose signatures appear below have been and are on the date of signature duly authorized to execute this EXHIBIT.

INTERNETWORK EXPERTS, INC.
("INTEGRATOR")

CISCO SYSTEMS INC. ("CISCO")

By: /s/ Mark Hilz

Its authorized representative

By: /s/ Rick Timmins

Its authorized representative

Printed Name: Mark Hilz
Title: President & CEO

Printed Name: Rick Timmins
Title: VP WW Sales Finance

Date of signature: December 14, 2001

Date of signature: January 28, 2002

EXHIBIT _____:
eAGENT PROGRAM TERMS AND CONDITIONS

SCOPE AND PRECEDENCE: This EXHIBIT is appended to and incorporates by reference each term of the Systems Integrator Agreement in effect between Cisco and Integrator, including amendments to that agreement, if any (the "AGREEMENT"). Capitalized terms used in this EXHIBIT but not defined in SECTION 1 of this EXHIBIT have the meanings provided for those terms in SECTION 1 of the Agreement. This EXHIBIT is effective only with respect to orders from End Users for Products which are to be sold directly by Cisco to such End Users as part of the eAgent Program. With respect to such orders, the terms of this EXHIBIT shall control over conflicting terms in the Agreement.

CONTENTS: This EXHIBIT consists of the following documents, each of which is incorporated into this EXHIBIT by reference:

1. eAgent Program Exhibit Terms and Conditions
2. Attachment A: Agency Fee Matrix
3. Attachment B: Integrator Ordering Guidelines
4. Attachment C: Channel Partner eAgent Set-Up Preferences

eAGENT PROGRAM EXHIBIT TERMS AND CONDITIONS

1.0 DEFINITIONS

- 1.1 "eAGENT PROGRAM" or "PROGRAM" means the program whereby Integrator will solicit and facilitate processing of Program Orders from End Users on behalf of Cisco, which will sell Products directly to End Users in response to Program Orders. This EXHIBIT applies only to Integrator as identified on the signature page of the Amendment adding this EXHIBIT to the Agreement. Affiliates of Integrator are not eligible to participate under this EXHIBIT. Products which are (a) developed by the Cisco Internet Communications Software Group ("ICSG"), or (b) developed by the Cisco Optical Networking Group, may not be sold or licensed under the eAGENT Program. The Program is further described in SECTION 2.0.
- 1.2 "PROGRAM ORDER" means an order submitted to Cisco under the eAgent Program for sale of Products by Cisco directly to an End User. Orders which include only services will not be accepted under the Program.
- 1.3 "AGENCY FEE" means:
 - 1.3.1 for Products, the fee paid by Cisco to Integrator under the eAgent Program in consideration of Cisco's completed sale of (including receipt of payment for) Products referenced in a Program Order which identifies Integrator as the "CHANNEL PARTNER".

1.3.2 for services, the fee paid by Cisco to Integrator under the eAgent Program in consideration of Cisco's completed sale of (including receipt of payment for) Cisco services for Products included on a Program Order, which services will be provided by Cisco pursuant to the terms of the Agreement. Integrator shall not be paid an Agency Fee for the renewal of any Cisco brand services purchased under the Program.

2.0 DESCRIPTION OF PROGRAM

- 2.1 Under the Program, Integrator, acting as Cisco's agent, will either (a) submit Program Orders to Cisco on behalf of End Users, provided that, each such Order, prior to being submitted by Integrator to Cisco, shall have been authorized in writing by the End User on behalf of which it is being submitted, or (b) initiate Program Orders on behalf of End Users, and facilitate the submittal of Program Orders by End Users to Cisco. In the event Integrator submits a Program Order on behalf of an End User, Cisco will treat such Program Order as having been submitted directly to Cisco by the End User identified in the Program Order. Cisco will ship Products directly to the End User's designated ship-to address referenced in the Program Order and will bill the End User for Products shipped.
- 2.2 In the event Integrator submits a Program Order on behalf of an End User, Integrator and Cisco acknowledge that Integrator submits each Program Order as Cisco's agent, and will at no time take title to, or have risk of loss relating to, any Products shipped by Cisco in response to any Program Order.
- 2.3 No Program Order may specify a shipment date more than sixty (60) days later than the date of the Program Order, and neither Integrator nor any End User may extend the shipment date or modify a previously submitted Program Order without Cisco's prior written consent.

3.0 APPOINTMENT: Subject to the terms and conditions of this EXHIBIT, including without limitation SECTION 4.0 of this EXHIBIT, Cisco appoints Integrator as its agent for the purposes set forth herein during the term of this EXHIBIT.

4.0 INTEGRATOR'S OBLIGATIONS: Integrator shall undertake each of the following obligations:

- 4.1 Within thirty (30) days of the Effective Date, complete and return to Cisco the Channel Partner eAgent Set-up Preferences form attached hereto as EXHIBIT C.
- 4.2 Submit Program Orders to Cisco on behalf on End Users, or facilitate the submittal of Program Orders by End Users directly to Cisco.
- 4.3 Act as the focal point for, and respond promptly to End User requests for information.
- 4.4 Use its best efforts to assist Cisco with respect to the collection of amounts owed to Cisco by End Users for Products purchased under Program Orders.

5.0

SCOPE OF AGENCY:

- 5.1 The Agency created in SECTION 3.0 of this EXHIBIT shall be limited in scope to the following functions:
- 5.1.1 Soliciting and facilitating the submittal of Program Orders from End Users;
 - 5.1.2 Undertaking each of the obligations referenced in SECTION 4.0, above;
 - 5.1.3 Nominating End Users for the Program by submitting required End User information via Cisco's Cisco Connection On-Line ("CCO") web site;
 - 5.1.4 Directing each End User that will be participating in the Program to Cisco's eAgent web site containing the "eAgent Program - U.S. Terms and Conditions of Sale and Software License Agreement" ("END USER TERMS AND CONDITIONS"), and making reasonable commercial efforts to instruct each End User to execute and return such End User Terms and Conditions to Cisco;
 - 5.1.5 Training and assisting End Users as necessary in the use of Cisco's on-line ordering tool for submittal of Program Orders. Integrator agrees to expend reasonable commercial efforts to ensure that information contained in Program Orders submitted to Cisco is accurate and complete;
 - 5.1.6 Transmittal of information relating to Program Orders to Cisco and its financing services agent (as applicable), and information concerning status of orders from Cisco to End Users; and
 - 5.1.7 Negotiating the price of any Product contained in any Program Order. Integrator acknowledges that Cisco may reject, in whole or in part, any Program Order that specifies a price for any Product which reflects, a discount level (off of Cisco's Global Price List) outside the range of discounts set forth in ATTACHMENT A.
- 5.2 Each of the following acts is outside the scope of the agency created by this Exhibit, and Integrator will not perform any of them:
- 5.2.1 Agreeing to or accepting any modifications to the End User Terms and Conditions to be executed by End User;
 - 5.2.2 Making any commitment relating to delivery time or manner of delivery except as specifically authorized by Cisco in writing;
 - 5.2.3 Submitting any Program Order on behalf of any person, including Integrator itself, which is not an End User; or

- 5.2.4 Any other act relating to the sale or delivery of Products purchased under a Program Order;
- 5.3 Integrator acknowledges that, to the extent Integrator performs any of the acts referenced in subsection 5.2 of this EXHIBIT, it has no power to bind Cisco to any obligation it assumes. In addition, Integrator further acknowledges that no commitment or agreement, express, implied, written, or oral, made by Integrator with any End User which is outside the limited scope of the agency identified in subsections 5.1 will be binding upon Cisco.
- 5.4 Integrator further acknowledges that Cisco will rely upon Integrator's identification of particular individuals as authorized to submit Program Orders on behalf of particular End Users. In the event that (a) Integrator designates an individual as authorized to submit Program Orders on behalf of an End User, and (b) that End User subsequently contests the validity of the Order or the authority of the designated individual to submit orders on its behalf, then Integrator will be liable to Cisco for all payments due to Cisco under the submitted order, in the event Cisco ships the order and the End User identified in the order refuses payment.
- 6.0 For Products sold by Cisco under Program Orders pursuant to this EXHIBIT, Integrator shall support such Products in accordance with the terms of the Agreement, including, for Products sold with services to be provided by Cisco either to Integrator or to the End User, the exhibit to the Agreement which governs Cisco's provision of such services.
- 7.0 SUBMISSION OF ORDERS: Orders initiated or submitted by Integrator will be in accordance with ATTACHMENT B, Integrator Ordering Guidelines.
- 8.0 AGENCY FEE:
- 8.1 The Agency Fee shall be calculated without regard to any credits Integrator may receive from Cisco under the Cisco Competitive Technology Migration Program, the Technology Migration Program or any other program or promotional discounts offered by Cisco. Agency Fees will be paid to Integrator within thirty (30) days of Cisco's receipt of payment from End User. The Agency Fee will be calculated as a percentage of the extended list price by line item of Products, excluding any taxes or freight charges. Agency Fees will be sent to Integrator based upon the information submitted by Integrator in EXHIBIT C.
- 8.2 The basis for the calculation will be the discount level for the Program Order as a percentage of Cisco's list price for the Products composing the Program Order. The calculation of the Agency Fee for each Program Order will be controlled by ATTACHMENT A, the contents of which may be modified by Cisco, at its discretion, upon thirty (30) days prior written notice to Integrator; however, any such modification shall not apply to Program Orders accepted by Cisco prior to the effective date of such modification, whether or not Cisco has yet to pay an Agency Fee to Integrator for such Program Orders. Integrator acknowledges that

Cisco will engage Deutsche Financial Services ("DFS"), a finance company, to process the Agency Fee to be paid to Integrator. Integrator further acknowledges that Cisco is solely responsible for the calculation and payment of Agency Fees, and that DFS will not be responsible for any error or omission in the calculation of any Agency Fee claimed by Integrator.

- 9.0 PROGRAM ORDERS: By submitting a Program Order to Cisco, Integrator represents and warrants that the End User identified in the Program Order complies with the definition of the term "End User" in SECTION 1 of the Agreement.
- 10.0 WARRANTY: Integrator will assist Cisco and End User in coordinating all warranty service and returns of Products shipped in response to a Program Order. If Product return is authorized by Cisco under warranty, Integrator will assist End User in obtaining a Return Material Authorization ("RMA") number from Cisco for return of the defective Product, provide to End Users any pertinent written information concerning Cisco's RMA procedure, and otherwise advising End User on Cisco's RMA procedure. In the event an End User returns a Product under warranty which was purchased under a Program Order, and Cisco elects to refund the purchase price of the Product to End User, Cisco's obligation to pay an Agency Fee to Integrator in connection with that Program Order shall be reduced pro rata based on the relation between the price of the returned products and the total price of the Program Order.
- 11.0 COLLECTIONS AND LATE PAYMENTS. In the event End User does not pay Cisco within the payment terms set out in subsection 4.3 of Cisco's End User Terms and Conditions of Sale, eAgent will use its best efforts to assist Cisco's collection efforts.
- 12.0 MISDIRECTED PAYMENTS:
 - 12.1 Integrator will direct each End User that submits a Program Order to make payment directly to Cisco at the address provided below. In the event that Integrator receives a check or other form of payment from an End User relating to a Program Order which identifies Cisco as the payee, Integrator will promptly forward such check or other form of payment to Cisco at the address provided below and will not deposit such check or other form of payment. Misdirected payments received by Integrator shall be sent to:

Cisco Systems, Inc.
5293 Collections Center Drive
Chicago, IL 60693
 - 12.2 In the event Cisco receives a check or other form of payment from an End User relating to a Program Order which identifies Integrator as payee, Cisco will instruct that End User to cancel that check or other form of payment and to submit to Cisco a check or other form of payment which identifies Cisco as payee.

13.0 INDEMNIFICATION: Integrator will indemnify and hold harmless Cisco (including its officers, directors, employees, shareholders, successors, and assigns) for any claim suit, loss, damage, penalty or fine (collectively, "CLAIM") arising from any act or omission by Integrator outside the limited scope of its agency as referenced in subsection 5.1 of this EXHIBIT.

14.0 TERM AND TERMINATION:

14.1 Term: The term of this Exhibit will commence on the Effective Date and end upon the expiration or termination of the Agreement unless otherwise terminated earlier as provided herein.

14.2 Termination for Convenience: Either party may terminate this EXHIBIT for convenience by giving the other party at least thirty (30) days prior written notice. Upon termination, each Party will continue each of its obligations under this EXHIBIT with respect to any Program Order submitted to and accepted by Cisco prior to the date upon which this EXHIBIT terminates. Unless otherwise provided for in the Agreement, termination of this EXHIBIT pursuant to this subsection 14.2 will not result in termination of the Agreement;

14.3 Termination for Cause: Either party may terminate this EXHIBIT for cause upon at least fifteen (15) days prior written notice to the other party upon that other party's material breach of any provision of this EXHIBIT or the Agreement. Such notice must identify with reasonable specificity at least one material breach. Unless otherwise provided for in the Agreement, termination of this EXHIBIT pursuant to this subsection 14.3 will not necessarily result in termination of the Agreement;

14.4 Upon Termination of the Agreement: This EXHIBIT will terminate automatically upon the expiration or termination of the Agreement.

14.5 Survival: The provisions of SECTIONS 8.0, 10.0, 11.0, 12.0, 13.0, 14.2, 14.3, and 14.5 will survive the expiration or termination of this EXHIBIT.

E-AGENT EXHIBIT: ATTACHMENT A
AGENCY FEE MATRIX

A. PURPOSE:

This document specifies the rules for calculating eAgent fees under the Cisco eAgent Program.

All discounts below are discounts off Cisco's then-current List Price for a particular Product or Service unless otherwise noted.

B. eAGENT FEE TABLES:

The attached tables are provided as an aid in calculating eAgent Fees. Table I covers the standard hardware discount ranges. Table 2 covers the discount ranges for SmartNet (Cisco brand services). If the desired discount is not covered in the table, use the calculation method described in the eAgent Fee Calculation sections below.

TABLE 1
HARDWARE

<S> End User Discount	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Gold 39%	42%	41%	40%	39%	38%	37%	36%	35%	34%	33%	32%	31%	30%	29%	28%	27%	
Silver 37%	if approved by an authorized Cisco Controller, then eAgent Fee is up to 4% of Net					0.9%	1.8%	2.7%	3.6%	4.5%	5.4%	6.3%	7.2%	8.1%	9.0%	9.9%	10.8%
Premier 34%	26%	25%	24%	23%	22%	21%	20%	19%	18%	17%	16%	15%	14%	13%	12%	11%	
Gold 39%	11.7%	12.6%	13.5%	14.4%	15.3%	16.2%	17.1%	18.0%	18.9%	19.8%	20.7%	21.6%	22.5%	23.4%	24.3%	25.2%	
Silver 37%	9.9%	10.8%	11.7%	12.6%	13.5%	14.4%	15.3%	16.2%	17.1%	18.0%	18.9%	19.8%	20.7%	21.6%	22.5%	23.4%	
Premier 34%	7.2%	8.1%	9.0%	9.9%	10.8%	11.7%	12.6%	13.5%	14.4%	15.3%	16.2%	17.1%	18.0%	18.9%	19.8%	20.7%	
	10%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%						
Gold 39%	26.1%	27.0%	27.9%	28.8%	29.7%	30.6%	31.5%	32.4%	33.3%	34.2%	35.1%						
Silver 37%	24.3%	25.2%	26.1%	27.0%	27.9%	28.8%	29.7%	30.6%	31.5%	32.4%	33.3%						
Premier 34%	21.6%	22.5%	23.4%	24.3%	25.2%	26.1%	27.0%	27.9%	28.8%	29.7%	30.6%						

[] Requires Cisco authorized Controller approval

If End User discount is > or = reference percent, then order placed on hold.

If Controller approves, then up to 4% of net sales as eAgent Fee.

If Controller denies, then order is rejected. Integrator may resell Products or Services outside eAgent Program.

[] Auto-book orders at the agent fee shown

Gold = .9* (39% - end customer discount)* ext list price.
 Silver = .9* (37% - end customer discount)* ext list price.
 Qualified Premiers = .9* (34% - end customer discount)* ext list price.

TABLE 2

<TABLE>

<S> End User Discount	<C> 21%	<C> 20%	<C> 19%	<C> 18%	<C> 17%	<C> 16%	<C> 15%	<C> 14%	<C> 13%	<C> 12%	<C> 11%	<C> 10%	<C> 9%	<C> 8%	<C> 7%	<C> 6%	
25% Category		1.8%	2.7%	3.6%	4.5%	5.4%	6.3%	7.2%	8.1%	9.0%	9.9%	10.8%	11.7%	12.6%	13.5%	14.4%	
20% Category		If approved by an authorized Cisco Controller then eAgent Fee is up to 4% of Net.					0.9%	1.8%	2.7%	3.6%	4.5%	5.4%	6.3%	7.2%	8.1%	9.0%	9.9%
15% Category											0.9%	1.8%	2.7%	3.6%	4.5%	5.4%	
10% Category		5%	4%	3%	2%	1%	0%									0.9%	
25% Category	15.3%	16.2%	17.1%	18.0%	18.9%	19.8%											
20% Category	10.8%	11.7%	12.6%	13.5%	14.4%	15.3%											
15% Category	6.3%	7.2%	8.1%	9.0%	9.9%	10.8%											
10% Category	1.8%	2.7%	3.6%	4.5%	5.4%	6.3%											

</TABLE>

[] Requires Cisco authorized Controller approval

If End User discount is > or = reference percent, then order placed on hold.
 If Controller approves, then up to 4% of net sales as eAgent Fee.
 If Controller denies, then reject order. Integrator may resell Products or Services outside eAgent Program.

[] Auto-book orders at the agent fee shown

25% Category = .9* (22% - End User discount)* ext list price
 20% Category = .9* (17% - End User discount)* ext list price
 15% Category = .9* (12% - End User discount)* ext list price
 10% Category = .9* (7% - End User discount)* ext list price

C. DEFINITIONS:

END USER DISCOUNT The discount quoted to the End User. This does not include any promotional discounts or Technology Migration Program (trade-in) discounts. This discount is off of Cisco's then-current List Price.

REFERENCE PERCENT This is a percent that is assigned to the Integrator for the purposes of calculating THE SPREAD. Currently, the REFERENCE PERCENTS are set at: Gold = 39%, Silver = 37%, Premier = 34% for product.

THE SPREAD THE SPREAD is the difference between END USER DISCOUNT and the REFERENCE PERCENT.
 REFERENCE PERCENT - END USER DISCOUNT = THE SPREAD.

FACTOR The FACTOR is the percentage that is multiplied by THE SPREAD to determine the eAGENT RATE. THE FACTOR is currently set at 90%.

eAGENT RATE The eAGENT RATE is the product of THE SPREAD multiplied by the Factor. The eAGENT RATE is the percentage which is multiplied by the extended valued a line item at list price to determine the eAGENT FEE.

eAGENT RATE = FACTOR*THE SPREAD

eAGENT FEE The number of dollars that is paid to Integrator based on the eAGENT RATE multiplied by the extended value of a line item at list price.

eAGENT FEE = eAGENT RATE*EXTENDED LIST PRICE

GOLD The GOLD Certified Partner Program is designed to recognize and reward our Partners who achieve the highest expertise and success in selling, designing, supporting, and servicing Cisco solutions. Gold Certified Partners have completed comprehensive training that ensures a consistently high level of product knowledge, technical expertise, and service capabilities.

SILVER The SILVER Certified Partner Program is designed to recognize and reward our Partners who achieve success in selling, designing, supporting, and servicing Cisco solutions. Silver Certified Partners have completed comprehensive training that ensures a consistently high level of product knowledge, technical expertise and service capabilities.

PREMIER The PREMIER Certified Partner Program is designed to recognize and reward resellers who achieve sales success with Cisco networking solutions. Premier Certified Partners achieve Cisco's first certification level by completing sales and technical training and meeting other program criteria.

D. eAGENT FEES:

eAGENT RATES will be calculated in terms of percentages of List Price and will be applied to the individual line items in an order. The eAGENT RATE (%) is multiplied by the extended list price of the individual line item in determining the eAGENT FEE.

E. NON-STANDARD PRICING:

1. SKUs that have standard promotional discounts (promotional and Technology Migration Program discounts) will be allowed into the eAgent program. These discounts are not included nor considered in any way in the calculation of eAGENT FEES.
2. Any other non-standard discounts (i.e. deals desk and/or any other discount of any sort), will be taken into consideration when calculating the eAGENT FEE using the formula set out at point G below.

F. eAGENT FEE CALCULATION:

Note: All percentages below are given in terms of Cisco's then-current List Price.

1. For eAGENT FEES to be paid on a line item, the END CUSTOMER DISCOUNT CANNOT BE HIGHER THAN INTEGRATOR'S ASSIGNED REFERENCE PERCENT.

The eAgent Fee is calculated by line item.

2. Each Integrator receives an eAgent Reference Percent based on its Certification Partner Program Level: i.e., Gold, Silver, and Premier.

Product - Gold = 39%, Silver = 37%, Premier= 34%.

Support - 25% Category = 22%, 20% Category = 17%, 15% Category = 12%, 10% Category = 7%.

End Customer discount on list price is subtracted from the eAgent Reference Percent to derive at The Spread.

The Spread is multiplied by the Factor which is set at 90% to determine the eAgent Rate.

The eAgent Rate is then multiplied by the extended list price of the line item to derive at the eAgent Fee.

The easiest method to determine the eAgent Fee is to refer to the tables at the beginning of this section.

Example for hardware:

Factor* (Reference Percent - End Customer Discount)* Extended List Price = eAgent Fee.

Gold = $.9 * (39\% - \text{End Customer Discount}) * \text{Extended List Price} = \text{eAgent Fee}$.

Silver = $.9 * (37\% - \text{End Customer Discount}) * \text{Extended List Price} = \text{eAgent Fee}$.

Premier = $.9 * (34\% - \text{End Customer Discount}) * \text{Extended List Price} = \text{eAgent Fee}$.

If an Integrator's assigned Reference Percent for a given line item is 39%, and the End Customer Discount is 34% off list, then The Spread of 5% is multiplied by the Factor of 90%. The eAgent Rate for this line is 4.5%. This 4.5% is then multiplied by the extended list price of the line to derive at the eAgent Fee.

$9 * (39\% - 34\%) = 4.5\%$
 $4.5\% * \text{Extended List Price} = \text{eAgent Fee}$

G. NON-STANDARD eAGENT FEE CALCULATION:

1. For non-standard eAgent Fees to be paid on a line item, a Cisco Authorized Controller must approve the order. This could add lead-time to the fulfillment of the order.

2. Provided the Order is approved, a non-standard eAgent Fee up to four percent (4%) of the net price of the line item may be awarded.

H. EXEMPTIONS:

eAgent Fees will not be paid on Shipping Charges, Sales Tax, SIS, or Support Renewals.

eAGENT: ATTACHMENT B
INTEGRATOR ORDERING GUIDELINES

PART A PLACING ORDERS

1. Integrator will work with the End User to design the appropriate solution for the End User's business needs.
2. End Users must be qualified for participation in the eAgent Program before Integrator can create orders on their behalf. For those End Users nominated for the Program by Integrator, Integrator will receive electronic notification from Cisco indicating whether or not End User is qualified for the Program. End Users currently qualified for the Program will also be identified on the eAgent Program web site.
3. Program Orders intended for the eAgent Program must be placed on the End User's designated eAgent account.
4. Integrator shall initiate Program Order entry on behalf of End Users via Cisco's On-Line Ordering Tool ("ORDERING TOOL") with the following criteria:
 - (a) Products and, if applicable, Cisco Brand Resale Services, together with agreed upon pricing, must be included on the Program Order as quoted to the End User by the Integrator.
 - (b) The Ship-To will list the End User or an address identified by the End User.
 - (c) Program Order is taxable at End User discount and pricing.
5. If there is an issue with the Program Order, Cisco will contact Integrator or End User.
6. Product ship date requested by Integrator or End User at time of order cannot be greater than 60 days from the date the Program Order is placed.
7. Program Orders may be accepted by Cisco only if Cisco already has an End User Terms and Conditions document specific to the eAgent Program signed by End User on file.

PART B: VALID PURCHASE ORDER

1. All Program Orders must be submitted via the Ordering Tool on Cisco's web site.
2. Document Reference Number: All Program Orders must include a document reference number (e.g. purchase order number). Accounts Payable departments will not pay invoices without having a reference number.
3. Bill-To Address: All Program Orders must contain complete and accurate bill-to addresses. The Bill-To address on a Program Order must be identical to End User's address as qualified by Cisco for the Program. There must be a specific location where the invoices can be submitted for payment. Address must include a contact name, phone

number, and/or department. If the Program Order requests an order acknowledgment, relevant contact information must be included on the Program Order as submitted to Cisco via the Ordering Tool. Fax numbers and email addresses for Program Order acknowledgements may be omitted if Cisco has the fax numbers and email addresses on file.

4. Ship-To Address: All Program Orders must contain a specific End User designated location where the product will be shipped. The ship-to address must include a contact name and phone number. The ship-to location may not be a PO Box.
5. Product Description: Program Orders must indicate Products to be purchased by using Cisco part numbers.
6. Pricing:
 - (a) All Program Orders must include discounted pricing for each Product ordered and the total dollar amount. For each Product ordered, the discount percentage must be clearly specified.
 - (b) Price provided on the Program Order must be the same as prices quoted by Integrator to End User. All prices must be quoted in U.S. dollars.

PART C: ADDITIONAL TERMS AND CONDITIONS

1. Payment Terms: All Program Orders must specify net payment terms of not more than thirty (30) days from date of shipment.
2. Freight Terms: All Products will be shipped Federal Express, Priority Two, unless the End User specifies another form of shipment. The FOB point will be San Jose, California, provided that Cisco may designate a different shipment point for particular Products. Freight will be pre-paid by Cisco and billed to the End User. End Users who wish to pay for shipping must provide a freight account number on the Program Order they submit.
3. Change Orders: Change Orders are subject to the same controls as the original order. All change orders are subject to the same documentation requirements as are applicable to original Program Orders (see PART B above). All requests for changes must be submitted using the Cisco Change Order Tool. Integrator acknowledges that this tool may reject requests for changes made late in Cisco's manufacturing process.

eAGENT: ATTACHMENT D
INTEGRATOR SET-UP PREFERENCES

INSTRUCTIONS: PLEASE TYPE IN SPACES PROVIDED TO COMPLETE FORM. PLEASE
RETURN COMPLETED FORM WITH YOUR eAGENT PROGRAM AGREEMENT
INFORMATION MARKED WITH AN ASTERISK (*) IS REQUIRED. CISCO CAN PROCESS
COMPLETED FORMS ONLY. INCOMPLETE FORMS WILL BE RETURNED.

Contact Name: Gary Derheim
Contact E-mail Address: gary.derheim@inetx.com
CAM's Name: Valerie Corniello

A. PARTNER ADDRESS INFORMATION: Provide your Company's Accounts Payable
address.

Company Name*	InterNetwork Experts
Federal Tax ID Number*	76-0650041
Address (line 1)*	15960 Midway Rd.
Address (line 2)*	Suite 101
Address (line 3)*	
Country*	United States
City*	Addison
State*	TX
Province*	
County*	Dallas
Zip Code*	75001

B. ORDER/PRODUCT CONTACT PERSON: Provide the name of the person most
likely to resolve questions regarding the product order.

First Name*	NICOLE
Last Name*	KUBELKA
Phone Number*	469-791-4931
Fax Number*	469-791-4888
E-mail Address*	NICOLE.KUBELKA@INETX.COM

* Information marked with an asterisk (*) is required. Cisco can process
completed forms only.

C. DISPUTE CONTACT PERSON: Provide the name of the person most likely to handle questions on installation and/or configuration.

First Name* PAUL
Last Name* KLOTZ
Phone Number* 469-791-4802
Fax Number* 469-791-4888
E-mail Address* PAUL.KLOTZ@INETX.COM

D. PAYMENT FREQUENCY:** How often should Cisco pay Agency fees? Check only one.

Per Invoice Weekly Monthly Quarterly

E. PAYMENT TYPE:** How should Cisco pay Agency Fees? Check only one.

Check (Complete [] ACH (Sections F and G, [] Wire (Sections F and Section F below below, required) G, below, required) only

F. PAYMENT REMIT-TO ADDRESS: Provide the company name in which Bank Account is held, address where your company receives payments, and the name of your company's Accounts Receivable/Banking contact.

Beneficiary Name** InterNetwork Experts, Inc.
Address** 156960 Midway Rd.
Address Suite 101
Address
Country** United States
City* Addison
State** TX
Province
County** Dallas
ZIP Code** 75001
Contact First Name** Kim
Contact Last Name** Scott
Contact Phone Number** 469-791-4861
Contact Fax Number** 469-791-4888
Contact E-mail Address** kim.scott@inetx.com

* Information marked with an asterisk (*) is required. Cisco can process completed forms only.

** Information marked with an asterisk (*) is required. Cisco can process completed forms only. In Section E: if you choose "check," complete Section F only. If you choose "ACH" or "Wire," complete both Sections F and G.

G. BANK INFORMATION: If you selected "Wire Transfer" or "ACH" in Section E above, please provide the bank and account to which Agency Fees should be transferred.

Bank Name* Southwest Bank of Texas
 Bank Address* 4925 San Felipe
 Bank Address*
 Bank Address*
 Bank Country* United States
 Bank City* Houston
 Bank State* TX
 Bank Province*
 Bank County*
 Bank Zip Code* 77027
 Bank Account Number*
 Transit ABA Number* (9 Digits)

H. eAGENT AUTHORIZED USERS: Provide names of users at your company who are authorized to participate in eAgent. Please include yourself. Add more rows as needed.

Type of Access (check one):
 Submit = user can create orders and take action in Cisco online ordering tools
 Read-only = user can view information in Cisco online ordering tools only

Authorization Level (check if applicable):
 Authorized = user is authorized to provide updates to this form

<TABLE>
 <CAPTION>

NAME (FIRST & LAST)*	JOB TITLE	CCO USER ID*	TYPE OF ACCESS (CHECK ONE)	AUTHORIZED LEVEL (CHECK IF APPLICABLE)
<S>	<C>	<C>	<C>	<C>
Nicole Kubelka	Sr. Manager, Service Delivery	nkubelka	<input checked="" type="checkbox"/> Submit <input type="checkbox"/> Read-only	<input checked="" type="checkbox"/> Authorized
Kim Scott	Operations Manager	kim-scott	<input checked="" type="checkbox"/> Submit <input type="checkbox"/> Read-only	<input checked="" type="checkbox"/> Authorized
Paul Klotz	VP, COO	p.klotz	<input checked="" type="checkbox"/> Submit <input type="checkbox"/> Read-only	<input checked="" type="checkbox"/> Authorized
Gary Derheim	Director, Alliances	derheim	<input checked="" type="checkbox"/> Submit <input type="checkbox"/> Read-only	<input checked="" type="checkbox"/> Authorized
Tracy Schlessman	Branch Manager	t-schlessman	<input type="checkbox"/> Submit <input type="checkbox"/> Read-only	<input type="checkbox"/> Authorized
Mark Hilz	President	mhilz	<input checked="" type="checkbox"/> Submit <input type="checkbox"/> Read-only <input type="checkbox"/> Submit <input type="checkbox"/> Read-only <input type="checkbox"/> Submit <input type="checkbox"/> Read-only <input type="checkbox"/> Submit <input type="checkbox"/> Read-only <input type="checkbox"/> Submit <input type="checkbox"/> Read-only	<input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Authorized <input type="checkbox"/> Authorized <input type="checkbox"/> Authorized <input type="checkbox"/> Authorized <input type="checkbox"/> Authorized <input type="checkbox"/> Authorized <input type="checkbox"/> Authorized

</TABLE>

* Information marked with an asterisk (*) is required. Cisco can process completed forms only.

AMENDMENT NO. 2

This Amendment ("Amendment") by and between Cisco Systems, Inc., ("Cisco") a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, CA, 95134, and Internetwork Experts, Inc. ("Integrator"), a Texas corporation having its principal place of business at 15960 Midway Road, Suite 101, Addison, Texas 75001 is entered into as of the date last written below (the "Effective Date").

WHEREAS, Cisco and Integrator have previously entered into the Systems Integrator Agreement dated November 13, 2001, as amended ("Agreement"), and

NOW WHEREFORE, the parties agree to amend the Agreement as follows:

- 1). The term of the Agreement is extended until November 12, 2003.

If the Agreement shall have expired prior to the Amendment Date, any orders received and Products purchased between the date of expiration and the Amendment Date shall be in all respects deemed made under the Agreement as in effect prior to this Agreement.

- 2). Section 1, "Definitions" shall be modified as follows:

- a). The definition of Added Value is hereby deleted in its entirety and replaced by the following:

Added Value is the non-Cisco component portion of Integrator's total solution, which Integrator provides to End User. Examples of Added Value are pre- and post-sales network design, configuration, trouble-shooting, and support and the sale of complementary products and services that comprise a significant portion of the total revenues received by Integrator from an End User of Cisco Products. Integrator acknowledges that the neither providing financing options to End Users nor providing network services to End Users constitute Added Value. Integrator further acknowledges that telesales, catalog sales, and sales over the Internet do not include Added Value if inbound communications from the prospective End User purchaser were prompted by something other than a face-to-face interaction between Integrator's sales representative and such prospective End User.

- b). The definition of Price List is hereby deleted in its entirety and replaced by the following:

Price List is Cisco's published United States dollar global price list.

- 3). Section 3, "Multinational Deployment Policy" has been deleted in its entirety and replaced with the following:

3.0 This section intentionally omitted.

- 4). The following shall be added at the end of Section 4.0 "Prices":
- 4.5 Cisco and Integrator may agree that Cisco will provide special pricing to Integrator for Integrator's Resale to one or more specific End Users. Any such agreement must be in writing, and must specify a fixed time period during which such special pricing shall be provided. If no time limit is specified in the written agreement, the time period shall be ninety (90) days from the effective date of the written agreement regarding special pricing. If Cisco provides Integrator with such special pricing and subsequently determines that Integrator has Resold Products or Services purchased with such special pricing to End Users other than the End User identified in the written agreement, then Cisco may, in addition to all of its other rights and remedies, all of which are reserved, (a) invoice Integrator for the difference between such additional discount and Integrator's then-current resale discount as set forth in Exhibit B; (b) audit Integrator's purchases pursuant to Section 15.0 ("Audit") and invoice Integrator for all reasonable costs incurred by Cisco in its performance of the Audit; (c) suspend Integrator's access to price deviations and other Cisco sales and marketing programs; (d) suspend shipments to Integrator; and/or (e) terminate this Agreement pursuant to sub-subsection 13.4.2.
- 5). Subsections 10.1 and 10.2, in "Limited Warranty" has been deleted in its entirety and replaced with the following:
- 10.1 Cisco Products are provided with written limited warranties. Integrator will pass through to End Users all written limited warranties provided by Cisco with Products or Services purchased by Integrator.
- 10.2 Notwithstanding any other provision hereof, Cisco's sole and exclusive warranty and obligation with respect to the Products sold hereunder are set forth in Cisco's Limited Warranty Statement delivered with the Product or Service. INTEGRATOR SHALL NOT MAKE ANY WARRANTY COMMITMENT, WHETHER WRITTEN OR ORAL, ON CISCO'S BEHALF. Integrator shall indemnify Cisco for any warranties made in addition to Cisco's standard warranty and for any misrepresentation of Cisco's reputation or Cisco's Products or Services.
- 6). Sub section 12.4, in "Confidential Information" has been deleted in its entirety and replaced with the following:
- 12.4 The obligations of confidentiality set forth herein shall not apply to information which (a) has entered the public domain except where such entry is the result of Integrator's breach of this Agreement; (b) prior to disclosure hereunder was already rightfully in Integrator's possession; (c) subsequent to disclosure hereunder is obtained by Integrator on a nonconfidential basis from a third party who has the right to disclose such information to the Integrator; or (d) which Integrator is required to produce pursuant to a court order or administrative subpoena, provided that Integrator shall notify Cisco of its receipt of such order or

subpoena prior to disclosure and provide Cisco an opportunity to protect its interest in the confidentiality of the information to be produced in response. Neither party shall disclose, advertise, or publish the terms and conditions of this Agreement without the prior written consent of the other party. Any press release or publication regarding this Agreement is subject to prior review and written approval of the parties.

- 7). Subsection 13.3, in "Patent and Copyright Infringement" has been deleted in its entirety and replaced with the following:

13.3 Notwithstanding the foregoing, Cisco has no liability for, and Integrator will indemnify Cisco against, any claim based upon: (a) the combination, operation, or use of any Product supplied hereunder with, equipment, devices, or software not supplied by Cisco; (b) services offered or used by Integrator or any end user to which Integrator transfers Products through operation of the Products or the revenue received by Integrator or such end user from its services; (c) alteration or modification of any Product supplied hereunder; or (d) Cisco's compliance with Integrator's designs, specifications, or instructions.

- 8). Section 16, "Audit" is hereby deleted in its entirety and replaced with the following:

Integrator shall keep full, true, and accurate records and accounts, in accordance with generally-accepted accounting principles, of each Product and Service purchased and deployed, resold, or distributed, including information regarding compliance with Cisco marketing and sales programs, Software usage, and export or transfer. Integrator shall make these records available for audit by Cisco upon fifteen (15) days prior written notice, during regular business hours, at Integrator's principal place of business or such other of Integrator's location where Integrator may maintain relevant records. In the event Cisco requires information from an End User to which Integrator asserts it has Resold Cisco Products or Services, Integrator agrees to use all reasonable efforts to assist Cisco to obtain such information.

- 9). Section 17, "Use, Export, Re-Export, & Transfer Controls" is hereby deleted in its entirety and replaced with the following:

The Products and Technology or direct products thereof (hereafter referred to as Products and Technology), supplied by Cisco under the Contract are subject to export controls under the laws and regulations of the United States (U.S.). Integrator shall comply with such laws and regulations governing use, export, re-export, and transfer of Cisco Products and Technology and will obtain all required U.S. and local authorizations, permits, or licenses. Cisco and Integrator each agree to provide the other information, support documents, and assistance as may reasonably be required by the other in connection with securing authorizations or licenses.

Information regarding compliance with U.S. use, export, re-export, and transfer laws may be located at the following URL:
http://www.cisco.com/wwl/export/compliance_provision.html. Cisco warrants the accuracy of data pertaining to Military

End-Use/Users Prohibitions; Prohibited Territories; Sanctioned & Embargoed Entities; and Nuclear, Missile, and Chemical/Biological Weapon Proliferation Control Initiative.

Integrator's obligation under this clause shall survive the expiration or termination of the Contract.

- 10). Section 21, "Limitation of Liability" is hereby deleted in its entirety and replaced with the following:

NOTWITHSTANDING ANYTHING ELSE HEREIN, ALL LIABILITY OF CISCO AND ITS SUPPLIERS FOR CLAIMS ARISING UNDER THIS AGREEMENT OR OTHERWISE SHALL BE LIMITED TO THE MONEY PAID BY INTEGRATOR (INCLUDING, IF APPLICABLE, ITS AFFILIATES) TO CISCO UNDER THIS AGREEMENT DURING THE SIX (6) MONTH PERIOD PRECEDING THE EVENT OR CIRCUMSTANCES GIVING RISE TO SUCH LIABILITY. THIS LIMITATION OF LIABILITY IS CUMULATIVE AND NOT PER INCIDENT. IN THE EVENT THAT INTEGRATOR'S AFFILIATES ARE PERMITTED TO PURCHASE PRODUCTS UNDER THIS AGREEMENT, THIS LIMITATION OF LIABILITY SHALL BE DEEMED TO BE AN AGGREGATE LIMITATION OF LIABILITY AS TO INTEGRATOR AND ALL AFFILIATES.

- 11). Subsection 24.7, in "General" is hereby deleted in its entirety and replaced with the following:

24.7 SURVIVAL. Sections 4.0, 7.0, 9.0, 10.0, 11.0, 12.0, 13.0, 14.0, 16.0, 17.0, 18.0, 20.0, 22.0, 24.0 and the license to use the Software set out in Section 9.0 and Exhibit S (subject to the termination provisions set forth in Exhibit S) shall survive the expiration or termination of this Agreement.

- 12). Exhibit C, Cisco Brand Services Resale Exhibit, is hereby deleted in its entirety and replaced with the attached Exhibit C-1.

- 13). All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the last date which is written below.

CISCO SYSTEMS, INC.

INTERNETWORK EXPERTS, INC.

By: /s/ Gregg Whitney

By: /s/ Paul Klotz

(Authorized Signature)

(Authorized Signature)

Name: Gregg Whitney, for Rick Timmins

Name: Paul Klotz

Title: Director, Finance

Title: Chief Operating Officer

Date: November 21, 2002

Date: November 12, 2002

EXHIBIT C-1
CISCO BRAND SERVICES RESALE EXHIBIT

This Support Exhibit ("Exhibit") supplements the Agreement and all the terms and conditions of the Agreement apply to this Exhibit; provided, that to the extent there is a conflict between the Agreement and this Exhibit, the terms of this Exhibit shall take precedence over the terms and conditions of the Agreement with regard to the subject matter described herein.

1. DEFINITIONS.

- 1.1 "Bug Fix" means an error correction, patch or workaround for the Software which Cisco provides to Distributor.
- 1.2 "CCO" means Cisco Connection Online, Cisco's online information web server.
- 1.3 "Distributor" means an authorized, non-exclusive distributor of Products and Services, having executed a two-tier distribution agreement with Cisco.
- 1.4 "Equipment Schedule" means the approved Cisco-provided list of Product covered under each End User's Support Agreement, where applicable.
- 1.5 "First Call" means the initial call made by the End User when requesting assistance with Product.
- 1.6 "Other Product" means Product which an End User acquired from sources other than Integrator.
- 1.7 "Other Services" means additional Cisco brand services listed in Attachment 1, identified as Other Services, which are available for resell to End User.
- 1.8 "Services" mean the core Cisco brand services listed in Attachment 1 which are available for resell to End User.
- 1.9 "Support Agreement" means the then-current agreement for the Services.

2. SCOPE. The support hereunder is intended for Integrators which do not support End Users under their own brand of service. Integrator, in lieu of providing service directly, will resell Cisco brand Services to be delivered directly by Cisco to the End User as described herein.

3. CISCO RIGHTS AND OBLIGATIONS. For each End User to which Integrator resells Cisco brand services, Cisco will provide, in accordance with the following terms and conditions, Services directly to Integrator's End User as described herein.

- 3.1 CCO Access. Cisco will provide an appropriate level of partner access to CCO. This system provides Integrator with technical and general information on Products.

- 3.2 Warranty. For the duration of the Cisco warranty period, Cisco will provide Bug Fixes and Hardware replacement service to Integrator as follows:
- 3.2.1 Bug Fixes.
 - 3.2.1.1 When required, Cisco will provide new Software to Integrator to correct a problem, or provide a network-bootable Software image, as determined by Cisco.
 - 3.2.1.2 Distribution Rights. Cisco grants Integrator the right to distribute Bug Fixes to its End Users provided the End User is currently licensed to use the Software.
 - 3.2.2 Hardware Support. Cisco will replace Product in accordance with the warranty terms set forth in the published Product warranty provided with the original Product.
- 3.3 Resale of Services.
- 3.3.1 Service Availability. Cisco will make the Services listed in Attachment 1 to this Exhibit available to Integrator to resale to Integrator's End Users. Services are subject to the availability limitations specified in Attachment 1.
 - 3.3.2 Resale Options. Cisco provides two means of reselling Cisco brand services to End Users, a partner managed option and a pass through option as described below.
 - 3.3.2.1 Partner Managed. Under this option, Integrator may take the First Call from the End User and may open a case with Cisco on behalf of the End User using End User's Support Agreement number. At all times the End User has the option of calling Cisco directly for support. In addition, Integrator may request email notification whereby Cisco notifies Integrator of End User activity with Cisco.
 - 3.3.2.2 Pass Through. Under this option, all interaction is solely between Cisco and the End User. The End User calls and open cases directly with Cisco.
 - 3.3.2.3 Option Selection. Integrator must choose either the partner managed or pass through option on the Cisco Support Resale Form (Attachment 2). If Integrator does not select an option, Cisco will assume the pass through option applies.
- 3.4 Support Agreements. Support will be provided to End Users pursuant to a Support Agreement between Cisco and End User. The Support Agreements to be

used are provided by Cisco. Notwithstanding anything to the contrary, nothing in this Exhibit shall require Cisco to execute a Support Agreement with an End User.

- 3.4.1 Prior to commencing Services for an End User, Cisco must receive the documents specified in Section 4.1.2 of this Exhibit whereupon Cisco will:
 - 3.4.1.1 Validate Product model and serial numbers.
 - 3.4.1.2 Confirm by executing and returning the Support Agreement, and providing an Equipment Schedule (excluding charges) and the Support Agreement number to the End User.
 - 3.4.1.3 Provide a copy of the Equipment Schedule (including charges) and Support Agreement number to Integrator.

4. INTEGRATOR RIGHTS AND OBLIGATIONS.

- 4.1 Resale of Services. Subject to the terms and conditions of this Exhibit, Integrator is authorized on a non-exclusive basis to resell the Services to End Users, according to the following process:
 - 4.1.1 Integrator resells the Services to an End User, providing the End User with a copy of the relevant Support Agreement for review and signature. Integrator may not make any modification(s) to the Support Agreement.
 - 4.1.2 Cisco requires the following documents from Integrator prior to commencing Services to End Users:
 - 4.1.2.1 Completion and submission of a Resale Form (Attachment 2 to this Exhibit).
 - 4.1.2.2 Signed Support Agreement by the End User sent to the following address: Cisco Systems, Inc., Service Business Operations (Contracts)/Customer Advocacy, 170 West Tasman Drive, San Jose, CA 95134
 - 4.1.2.3 Valid purchase order for the applicable service price from Integrator.
 - 4.1.2.4 Completed Letter of Assurance, a copy of which is provided with the Support Agreement when applicable.
 - 4.1.2.5 Integrator's submission of incomplete or incorrect documents, including unauthorized modifications to a Support Agreement, will delay execution and return of the Support Agreement.

- 4.1.3 Renewal of Support Agreements. The End User's Support Agreement will be renewed according to whether the pass through or the partner managed option has been selected by Integrator as follows:
 - 4.1.3.1 Partner Managed. Under the partner managed option, Cisco renews the Support Agreement through Integrator. Forty five (45) days prior to renewing the Equipment Schedule to the Support Agreement, Cisco will send a renewal notice to Integrator. Upon receipt of Cisco's notice of renewal of the Equipment Schedule for the End User, Integrator will forward to Cisco either (i) the completed renewal with purchase order or (ii) notice of cancellation. If renewal or notice of cancellation is not received by Cisco by the renewal date of the Equipment Schedule, Cisco reserves the right to renew directly with the End User.
 - 4.1.3.2 Pass Through. Under the pass through option, Cisco will renew all Support Agreements directly with the End User. Integrator is not involved in the renewal of Service delivered through the pass through option.
- 4.1.4 Responsibilities Under Partner Managed Option.
 - 4.1.4.1 All calls opened by Integrator on behalf of the End User shall be handled and escalated in accordance with the Cisco's Problem Prioritization and Escalation Guideline (Appendix A).
 - 4.1.4.2 Equipment Schedule.
 - 4.1.4.2.1 For all Services, Product covered under an End User's Support Agreement is listed in the Equipment Schedule(s).
 - 4.1.4.2.2 Integrator must provide thirty (30) days notice of requested addition(s) to the Equipment Schedule. In addition, thirty (30) days notice is required for Product relocations and service level/Product configuration changes, where applicable. For Product on the Equipment Schedule which End User has moved to a new location, Integrator will notify Cisco in writing (i.e., facsimile, electronic mail or using CCO).
 - 4.1.4.2.3 The Equipment Schedule may be revised for new Product, service level upgrades and Product configuration changes by Integrator's purchase order requesting such revisions and Cisco's acceptance thereof (based on availability). For

changes, Cisco will charge the pro-rated difference from when the change is requested to the end of the impacted Equipment Schedule's term.

4.2 Warranty Service.

4.2.1 Integrator shall provide to its End Users, at no charge, all warranty service for a minimum of the warranty period set forth in the published Product warranty provided with the original Product. Warranty shall commence upon shipment to the End User. Warranty service consists of the following Software and Hardware replacement services:

4.2.1.1 Integrator will distribute Bug Fixes to the End User during the warranty period.

4.2.1.2 Integrator will meet the replacement obligations as set forth in the then-current published Product warranty applicable to the particular Product sold to the End User.

4.2.2 Returns Coordination. For Product returned to Cisco for replacement under warranty, Integrator will comply with the following:

4.2.2.1 Coordinate the return of all failed parts, freight and insurance prepaid, to the Cisco designated location. For Product that has been advance replaced pursuant to the Product warranty terms, Integrator shall return failed/defective Product within ten (10) days of receipt of the replacement Product; otherwise, Product will be invoiced to Integrator at the then current list price.

4.2.2.2 Comply with the following RMA procedure:

4.2.2.2.1 Ensure all Products are properly packaged prior to being shipped, and will include a written description of the failure and specification of any changes or alterations made to the Product. Product returned to Cisco will conform in quantity and serial number to the RMA request.

4.2.2.2.2 Tag each Product returned with the RMA transaction number and a brief description of the problem.

4.3 Unsupported End User List. Integrator must provide information on all End Users who have purchased Product from Integrator without also purchasing Services. Each quarter, Cisco will provide a report identifying the model types and serial numbers of Product purchased by Integrator for which the following information is required: End User name, address and phone number. Integrator will complete

and return this information to Cisco no later than twenty (20) business days from the date the report is provided to Integrator.

5. PRICE AND PAYMENT TERMS.

5.1 Discount for Initial Term. For the initial term of the Equipment Schedule(s) to the Support Agreement, the price of Services to Integrator is the then-current service list price less the applicable discount based on Integrator's penetration rate calculated as follows:

5.1.1 Determination of Service Penetration Rate. Service penetration rate is calculated by Integrator's total number of Products covered by Cisco brand services (per Attachment 1) as a percentage of the total number of Products purchased over the most recent period of twelve (12) full calendar months.

<TABLE>
<CAPTION>
Penetration Rate

<S>
0% - 35%
36% - 55%
56% - 74%
75%+
</TABLE>

Discount

<C>
10%
15%
20%
25%

5.1.2 Cisco will review Integrator's service sales penetration rate at the time the Integrator renews the Agreement with Cisco and at six month intervals during the term of the Agreement. Cisco reserves the right to adjust Integrator's resale discount at the time of review. Any adjustment to the resale discount will be communicated in writing to the Integrator by Cisco.

5.1.3 Integrator must have purchased Product for a minimum of twelve months in order to determine the penetration rate. If Integrator has less than twelve months of Product purchases, Integrator's discount will be ten percent (10%).

5.1.4 Integrator's discount on Services shall be determined by calculating the rate of Services penetration based on the total amount of Product purchased by Integrator from Cisco plus the total amount of Product purchased by Integrator from Distributor(s).

5.2 Upon renewal of the Equipment Schedule(s), the discount will be as follows: Under the partner-managed resale option, the discount shall be the corresponding discount associated with the Penetration Rate. Under the pass through option, Integrator will not receive a discount as Cisco renews directly with End User.

5.3 The discounts listed above do not apply when Integrator resells Cisco brand services for Other Product. Integrator discount for Other Product shall be fifteen percent (15%).

- 5.4 The discounts listed above do not apply when Integrator resells Other Services. Integrator Discount for Other Services shall be fifteen (15%) percent.
- 5.5 All Services are invoiced annually in advance, payable thirty (30) days from the invoice date in U.S. Dollars unless otherwise agreed to in the Agreement.
- 5.6 All prices in the Equipment Schedule(s) are exclusive of any taxes and duties which, if applicable, shall be paid by Integrator. Applicable taxes are billed as a separate item. In addition, the following items will be billed to Integrator: time and material fees and Product list price of replaced Product not returned pursuant to the terms of End User's Support Agreement.
- 5.7 This Agreement may be terminated by Cisco and/or Cisco may suspend its performance immediately upon Notice if (i) Integrator does not provide the Unsupported End User List pursuant to Section 4.3 within thirty (30) days after the end of the previous quarter and after Notice from Cisco or (ii) Integrator fails to pay for the Services when due and fails to make such payment within fifteen (15) days after Notice from Cisco of such past due payment. Notwithstanding the above, Cisco shall have the right to seek payment for Services directly from the End User in the event Integrator does not remit payment to Cisco pursuant to the payment terms.
- 5.8 Integrator is free to determine its resale prices unilaterally. Integrator understands that neither Cisco, nor any employee or representative of Cisco, may give any special treatment (favorable or unfavorable) to Integrator as a result of Integrator's selection of resale prices. No employee or representative of Cisco or anyone else has any authority to specify what Integrator's resale prices for the Services must be, or to inhibit in any way, Integrator's pricing discretion with respect to the Services.
- 5.9 Support for Other Product. Integrator may support Other Product under the following conditions: Integrator provides Cisco (i) a request to support Other Product and (ii) a letter from the End User including a request for Service from the Integrator and a list of the Product(s) and serial number(s) to be supported.

6. GENERAL.

- 6.1 Entitlement. Integrator acknowledges that an End User is entitled to receive support services only on Product for which Integrator has paid the applicable support fees. Integrator agrees to assist Cisco with enforcement of End User entitlement as necessary.
- 6.2 Disclosure of Contract Information. Integrator acknowledges and agrees that in no event shall any of the information contained in this Exhibit or Integrator's Agreement number be disclosed to any third party.
- 6.3 Representations and Warranties. Integrator shall not make any representations or warranties on behalf of Cisco, except as expressly authorized herein or as

expressly authorized by Cisco in writing. Neither Integrator nor Cisco will make any obligation to End Users on behalf of the other, nor commit the resources of the other to End Users.

- 6.4 Independent Contractors. The relationship of Cisco and Integrator established by this Exhibit is that of independent contractors, and nothing contained in this Exhibit shall be construed to (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the parties as joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (iii) allow Integrator to create or assume any obligation on behalf of Cisco for any purpose whatsoever. All financial obligations associated with Integrator's business are the sole responsibility of Integrator. All sales and other agreements between Integrator and its End Users are Integrator's exclusive responsibility and shall have no effect on Integrator's obligations under this Agreement. Integrator shall be solely responsible for, and shall indemnify and hold Cisco free and harmless from, any and all claims, damages or lawsuits (including Cisco's attorneys' fees) arising out of the acts of Integrator, its employees or its agents.
- 6.5 Indemnification. Integrator hereby indemnifies and holds Cisco harmless from any claim, loss, damage or expense, including reasonable court costs and attorney's fees, resulting from any claim made by End User against Cisco hereunder under claim of a third party beneficiary or otherwise. This shall not limit Cisco's obligations, subject to the terms and conditions of this Agreement, to provide the Services described herein.

ATTACHMENT 1 TO EXHIBIT D

SERVICES AVAILABILITY

<TABLE>

<CAPTION>

SERVICE -----	DISCOUNT -----	AVAILABILITY -----
<S>	<C>	<C>
SMARTnet 8x8xNext Business Day ("NBD")	10%-25%(3)	Please confirm via the service locator tool located in the Service Contract Center (SCC) at http://www.cisco.com/public/scc/
SMARTnet 8x5x4 (1)		
SMARTnet 24x7x4 (1)		
SMARTnet Onsite 8x5xNBD		
SMARTnet Onsite 8x5x4 (1, 2)		
SMARTnet Onsite 24x7-4 (1,2)		
Software Application Services ("SAS")		
Software Application Services with Updates ("SASU")		

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<TABLE>

<CAPTION>

OTHER SERVICE -----	DISCOUNT -----	AVAILABILITY -----
<S>	<C>	<C>
Focused Technical Support/Network Optimization Support (FTS/NOS) - configuration as selected by Customer and further detailed on Purchase Order	15%	Please confirm via the service locator tool located in the Service Contract Center (SCC) at http://www.cisco.com/public/scc/
Technology Application Support (TAS) - configuration as selected by Customer and further detailed on Purchase Order	15%	
Total Implementation Services (TIS)	15%	

</TABLE>

A current list of Services is provided above. List may be updated from time to time.
Current information is available upon request.

1. Availability is restricted to within one hundred (100) miles of a parts depot.
2. Availability is restricted to within fifty (50) miles of an authorized service location.
3. SMARTnet, SMARTnet O/S, SAS and SASU discounts are based on a penetration rate, resulting in a discount calculated between 10% and 25%.

ATTACHMENT 2 TO EXHIBIT D
CISCO SUPPORT RESALE FORM

This form MUST be completed by Integrator for each order to resell Cisco brand Services to End Users.

COMPLETION OF THIS FORM WILL ENSURE:

- Integrators receive the appropriate discounts.
- Integrator's End Users receive the entitled level of service and support.
- Partner Notification e-mail is set up for Integrator.

STEP 1 - SELECT RESALE OPTION

- PASS-THROUGH OPTION: Cisco delivers support, Cisco renews direct with End User.
- PARTNER MANAGED OPTION: Cisco delivers support, Integrator manages renewal, Integrator first call optional, Partner Notification optional.

STEP 2 - COMPLETE INTEGRATOR BILLING INFORMATION. (required for both resale options)

<TABLE>
<S> INTEGRATOR: Name and Billing Address (as they appear on Purchase Order): <C> [] SAME AS SALES ORDER BILL-TO
Name: _____
Address: _____
City/State: _____
Country: _____
Postal Code: _____
Contact/Phone No.: _____
Channel Certification Level: _____
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PARTNER NOTIFICATION E-MAIL ADDRESS OR ALIAS (for Partner Managed Option)
Address or Alias: _____ (i.e. Integrator_TAC@Integrator.com)
Required if you would like to receive automatic notification of End User activity with Cisco on this Support Agreement.

STEP 3 - COMPLETE END USER BILLING INFORMATION . (required for pass-through option only)

<TABLE>
<S> END USER: Name and Billing Address (as they appear on Purchase Order): <C> [] SAME AS SALES ORDER BILL-TO
Name: _____
Address: _____
City/State: _____
Country: _____
Postal Code: _____
Contact/Phone No.: _____
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STEP 4 - COMPLETE COVERAGE TYPE, SITE DETAILS AND EXISTING CONTRACT INFORMATION (required for both resale options)

<TABLE>
<S> <C> <C> <C>
 SMARTnet 8x5xNBD SMARTnet 8x5x4 SMARTnet 24x7x4 SASU
 SMARTnet Onsite 8x5xNBD SMARTnet Onsite 8x5x4 SMARTnet onsite 24x7-4 SAS
 FTS/NOS TAS
</TABLE>

End Customer Name: _____ Product Type: _____
Str: _____ Original Product Purchase Order: _____
City: _____ Serial Number: _____
State/Postal Code: _____ END USER EXISTING SUPPORT AGREEMENT NUMBER: _____
Country: _____
ATTN: _____
Phone/Fax: _____
Product/Serial No. _____

ADDITIONAL SITES WORKSHEET

<TABLE>

<S>
 SMARTnet 8x5xNBD
 SMARTnet Onsite 8x5xNBD
 FTS/NOS

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 SMARTnet 8x5x4
 SMARTnet Onsite 8x5x4
 TAS

<C>
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<C>
 SASU
 SAS

</TABLE>

End Customer Name:
 Str:
 City:
 State/Postal Code:
 Country:
 ATTN:
 Phone/Fax:
 Product/Serial No.

Product Type:
 Original Product Purchase Order:
 Serial Number:
 END USER EXISTING SUPPORT AGREEMENT NUMBER:

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 FTS/NOS

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 SASU
 SAS

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End Customer Name:
 Str:
 City:
 State/Postal Code:
 Country:
 ATTN:
 Phone/Fax:
 Product/Serial No.

Product Type:
 Original Product Purchase Order:
 Serial Number:
 END USER EXISTING SUPPORT AGREEMENT NUMBER:

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<C>
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 SMARTnet onsite 24x7-4

<C>
 SASU
 SAS

</TABLE>

End Customer Name:
 Str:
 City:
 State/Postal Code:
 Country:
 ATTN:
 Phone/Fax:
 Product/Serial No.

Product Type:
 Original Product Purchase Order:
 Serial Number:
 END USER EXISTING SUPPORT AGREEMENT NUMBER:

<TABLE>

<S>
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 SMARTnet Onsite 8x5xNBD
 FTS/NOS

<C>
 SMARTnet 8x5x4
 SMARTnet Onsite 8x5x4
 TAS

<C>
 SMARTnet 24x7x4
 SMARTnet onsite 24x7-4

<C>
 SASU
 SAS

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End Customer Name:
 Str:
 City:
 State/Postal Code:
 Country:
 ATTN:
 Phone/Fax:
 Product/Serial No.

Product Type:
 Original Product Purchase Order:
 Serial Number:
 END USER EXISTING SUPPORT AGREEMENT NUMBER:

APPENDIX A

CISCO PROBLEM PRIORITIZATION AND ESCALATION GUIDELINE

To ensure that all problems are reported in a standard format, Cisco has established the following problem priority definitions. These definitions will assist Cisco in allocating the appropriate resources to resolve problems. Integrator must assign a priority to all problems submitted to Cisco.

PROBLEM PRIORITY DEFINITIONS:

- Priority 1: An existing network is down or there is a critical impact to the End User's business operation. Cisco, Integrator and End User will commit full-time resources to resolve the situation.
- Priority 2: Operation of an existing network is severely degraded, or significant aspects of the End User's business operation are being negatively impacted by unacceptable network performance. Cisco, Integrator and End User will commit full-time resources during Standard Business Hours to resolve the situation.
- Priority 3: Operational performance of the network is impaired while most business operations remain functional. Cisco, Integrator and End User are willing to commit resources during Standard Business Hours to restore service to satisfactory levels.
- Priority 4: Information or assistance is required on Cisco product capabilities, installation, or configuration. There is clearly little or no impact to the End User's business operation. Cisco, Integrator and End User are willing to provide resources during Standard Business Hours to provide information or assistance as requested.

Cisco encourages integrator to reference this guide when Integrator-initiated escalation is required. If Integrator does not feel that adequate forward progress or the quality of Cisco service is satisfactory, Cisco encourages Integrator to escalate the problem ownership to the appropriate level of Cisco management by asking for the TAC Duty Manager.

CISCO ESCALATION GUIDELINE:

<TABLE>
<CAPTION>
ELAPSED TIME

	PRIORITY 1	PRIORITY 2	PRIORITY 3	PRIORITY 4
<S>	<C>	<C>	<C>	<C>
1-Hour	Customer Engineering Manager			
4-Hour	Technical Support Director	Customer Engineering Manager		
24-Hour	Vice President	Technical Support Director		
48-Hour	Customer Advocacy President (CEO)	Vice President Customer Advocacy		
72-Hour			Customer Engineering Manager	
96-Hour		President (CEO)	Technical Support Director	Customer Engineering Manager

</TABLE>

Note: Priority 1 problem escalation times are measured in calendar hours 24 hours per day, 7 days per week. Priority 2, 3 and 4 escalation times correspond with Standard Business Hours.

The Cisco Manager to which the problem is escalated will take ownership of the problem and provide the Integrator with updates. Cisco recommends that Integrator-initiated escalation begin at the Customer Engineering Manager level and proceed upward using the escalation guideline shown above for reference. This will allow those most closely associated with the support resources to correct any service problems quickly.

ACCESSING TAC:

North America, South America:	+1-800-553-2447 (within the United States)
	+1-408-526-7209
Europe, Middle East, Africa:	+32-2-778-4242
Asia Pacific:	+1-800-805-227 (within Australia)
	+61-2-9935-4107

AMENDMENT NO. #3

This Amendment No. #3 ("Amendment") to the Cisco Systems, Inc. U.S. Systems Integrator Agreement ("Agreement") by and between Cisco Systems, Inc., ("Cisco") a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, CA, 95134, and Internetwork Experts, Inc. ("Integrator") a Texas corporation having its principal place of business at 15960 Midway Road, Suite 101, Addison, Texas 75001 is entered into as of the date last written below ("Effective Date").

WHEREAS, Cisco and Integrator have previously entered into the Agreement dated November 13, 2001, as amended; and

NOW WHEREFORE, the parties agree to amend the Agreement as follows:

1. End User Definition is modified to include U.S. Federal Government.

The following definition is modified:

Product means Hardware and/or Software, as defined herein, included in Cisco's then-current published Global Price List, and are "commercial items" as defined under the Federal Acquisition Regulation ("FAR") 2.101.

Services means any maintenance, or technical support and any other services performed or to be performed by Cisco, as set forth in this Agreement or the Exhibits hereto and are "commercial items" as defined under the Federal Acquisition Regulation ("FAR") 2.101.

The following definition is hereby added:

U.S. Federal Government is an executive, legislative or judicial branch of the United States Government or a U.S. Government corporation that was specifically formed and is currently existing under an Act of Congress, as well as any government owned contractor operated "GOCO" facilities and establishments.

2. Scope 2.0, Subsection 2.2 Commercial Integration and Resale is modified to include U.S. Federal Government. Subsection 2.8 Resale to Government End Users is deleted in its entirety and replaced with the following language:

2.8. Resale to Government End Users. Integrator will Resell Products or Services to the U.S. Federal Government End User as expressly authorized in this Agreement. Integrator will not Resell Products or Services under this Agreement through a direct General Services Administration ("GSA") Schedule contract.

2.8.1. Integrator may resell Product and Services through U.S. Federal Government IDIQ (Indefinite Delivery Indefinite Quantity) contracts or other U.S. Federal Government Prime contracts. Should Integrator have an opportunity to resell Product and Services through a U.S. Federal Government subcontract arrangement, Integrator must obtain Cisco's prior written approval to resell such Product and Services. Cisco reserves the right to determine if such IDIQ contract and other prime or subcontract (if approved) opportunities offer "Added Value" as defined herein.

2.8.2. The federal government contract (lowdown provisions at Exhibit G are applicable to all Purchase Orders. Cisco does not accept any additional or modified government flowdown provisions, including but not limited to Federal Acquisition Regulation ("FAR") and its supplements, notwithstanding existence of such provisions on Integrator's Purchase Orders or supplementary documentation or Cisco's acceptance of such Purchase Orders or documentation whether for resale or internal use.

2.8.3. With respect to GSA, California Multiple Award Schedule ("CMAS"), and other schedule contracts, this Agreement shall not be construed by Integrator as a representation that Cisco will furnish supplies needed by Integrator to fulfill any of Integrator's GSA, CMAS, or similar contract obligations under any schedule contract.

3. Exhibit A - Reseller Profile is amended to include the following:
Territory: U.S. Federal Government. Vertical markets: All Department of Defense and Civilian Agencies of the U.S. Federal Government.
4. Exhibit E: CISCO BRAND SERVICES RESALE APPENDIX ("CBR AGREEMENT") for U.S. Federal Government End Users is hereby incorporated into the Agreement.
5. Exhibit G FAR Clauses is hereby incorporated into the Agreement.

All other terms and conditions of the Agreement remain unchanged and in full force and effect. This Amendment and the Agreement as amended are the complete agreements between the parties hereto regarding this subject matter. There are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified herein. In the event of a conflict between the Agreement and this Amendment, this Amendment will prevail with regard to the subject matter herein.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed. Each party warrants and represents that its respective signatories whose signatures appear below have been and are on the date of signature duly authorized to execute this Amendment.

INTERNETWORK EXPERTS, INC.

CISCO SYSTEMS, INC.

BY: /s/ Paul Klotz

(Authorized Signature)

BY: /s/ Dana Giampetroni

(Authorized Signature)

NAME: Paul Klotz

(Type/Print)

NAME: Dana Giampetroni

(Type/Print)

TITLE: Vice President

(Type/Print)

TITLE: Sales Controller. Federal Area

(Type/Print)

DATE: January 21, 2003

DATE: February 4, 2003

EXHIBIT E

CISCO BRAND SERVICES RESALE APPENDIX ("CBR AGREEMENT")
FOR U.S. FEDERAL GOVERNMENT END USERS

EXCEPT AS OTHERWISE DEFINED BELOW, ALL CAPITALIZED TERMS CONTAINED IN THIS CBR AGREEMENT SHALL HAVE THE MEANING PROVIDED FOR THOSE TERMS IN THE AGREEMENT.

1.0 DEFINITIONS.

- 1.1 "Bug Fix" means an error correction, patch or workaround for the Software which Cisco provides to Integrator.
- 1.2 "CCO" means Cisco Connection Online, Cisco's online information web server.
- 1.3 "Distributor" means an authorized, non-exclusive distributor of Products and Services, having executed a two-tier distribution agreement with Cisco.
- 1.4 "Equipment Schedule" means the Cisco-approved list of Product for which Integrator has paid Cisco the required Service fees that is either: (a) provided on the Cisco Support, Resale Form, Attachment 2 hereof, or, (b) for orders placed electronically, provided to Cisco via Cisco's Service Contract Center ("SCC").
- 1.5 "First Call" means the initial call made by the End User when requesting assistance with Product.
- 1.6 "Maintenance Contract Number" means the reference number assigned by Cisco for each Service purchased from Cisco. The Maintenance Contract number is to be used by Integrator or End User when opening a case with Cisco.
- 1.7 "Program Description" means the description of the Services, as of the purchase date of such Services, to be provided by Cisco to End Users on behalf of Integrator, and the terms and conditions under which Cisco provides those Services. Each available Service has its own Program Description, which can be found on CCO at the Uniform Resource Locator ("URL") identified in Attachment 3.
- 1.8 "Other Product" means Product which an End User acquired from sources other than Integrator.
- 1.9 "Other Services" means additional Cisco brand services listed in Attachment 1, identified as Other Services, which are available for resale to End User.
- 1.10 "Service" means any of the Cisco brand services described in the corresponding Program Description, and which are available to Integrator for resale to an End User in accordance with the terms of this CBR Agreement.
- 1.11 "Support Agreement" means the then-current agreement between Integrator and the End User for the Services.

2.0 CISCO OBLIGATIONS; RELATIONSHIP OF THE PARTIES.

In consideration for the fees paid by Integrator to Cisco, Cisco will make available to the End User the Services listed in the Program Descriptions, subject to the availability limitation specified in Attachment 1. Notwithstanding anything to the contrary contained herein, Cisco reserves the right to directly support any End User. Cisco shall only be responsible for providing support in accordance with the terms and conditions of this CBR Agreement.

In its performance of Services under this CBR Agreement, Cisco acts at all times as Integrator's subcontractor, retained by Integrator to provide Services specified in the Program Descriptions on behalf of Integrator to one or more End Users identified by Integrator to Cisco. In no event shall Integrator be deemed to be an agent of Cisco.

3.0 INTEGRATOR PROCEDURE TO RESELL SERVICES.

Subject to the terms and conditions of this CBR Agreement, Integrator is authorized on a nonexclusive basis to resell Services to End Users in accordance with the following procedure:

3.1 Immediately upon shipment of Product from Integrator to End User, Integrator will complete the Cisco Support Resale Form, Attachment 2, and either (i) fax the completed form to Cisco, or (ii) submit the required information via SCC if Integrator placed the order electronically. Notwithstanding the foregoing, in the event Integrator wishes to order Services for Other Product, Integrator shall follow procedure set forth in sub-section 8.8.

4.0 COMMENCEMENT OF SERVICES.

4.1 Cisco shall, as subcontractor to Integrator, perform the following Services:

4.1.1 Validate Product model and serial numbers provided by Integrator using the Equipment Schedule or via SCC.

4.1.2 Provide to End User the purchased Services as specified in the applicable Program Description.

4.1.3 CCO Access. Cisco will provide a level of partner access to CCO consistent with Integrator's reseller status. This system provides Integrator with technical and general information on Products.

4.1.4 Bug Fixes. For the duration of the Cisco warranty period, Cisco will provide Bug Fixes to Integrator as follows:

4.1.4.1 When required, Cisco will provide new Software to Integrator to correct a problem, or provide a network-bootable Software image, as determined by Cisco.

4.1.4.2 Distribution Rights. Cisco grants Integrator the right to distribute Bug Fixes to its End Users only for use on Products for which the End User is currently licensed to use the Software for which the Bug Fix is provided.

5.0 INTEGRATOR OBLIGATIONS.

- 5.1 Integrator shall execute a Support Agreement between Integrator and End User containing, at a minimum, the terms set forth in Attachment 4, End User Minimum Terms and Conditions Support Agreement. An example of a Support Agreement, with product description attachments, is located on CCO at the URL referenced in Attachment 3 hereto.
- 5.2 Integrator shall make all reasonable efforts to ensure it takes the First Call from the End User and may open a case with Cisco on behalf of the End User using the Maintenance Contract Number. At all times the End User may call Cisco directly for support. Upon Integrator's request, Cisco will notify Integrator via email of Cisco's direct support of the End User.
- 5.3 Complete and submit a Cisco Support Resale Form (Attachment 2), or for orders placed electronically, provide to Cisco the required information via SCC at the time the order is placed by End User.
- 5.4 Integrator must provide at least thirty (30) days prior written notice in accordance with the Agreement by facsimile, electronic mail, SCC, or confirmed delivery post ("Notice") of requested addition(s) to the Equipment Schedule. In addition, at least thirty (30) days Notice is required for Product relocations and service level/Product configuration changes, where applicable. For Product on the Equipment Schedule that End User has moved to a new location, Integrator shall provide Notice to Cisco. Should Integrator fail to provide Cisco with notice as set forth in this section, Cisco shall be excused from any failure to provide service resulting from such lack of notification.
- 5.5 The Equipment Schedule may be revised for new Product, service level upgrades and Product configuration changes by Integrator's purchase order requesting such revisions and Cisco's acceptance thereof (based on availability). For changes, Cisco will charge the pro-rated difference beginning on the date the change is requested and ending on the last day of the impacted Equipment Schedule's term.
- 5.6 Integrator shall provide Cisco with a purchase order, containing the description of Services for each support agreement, pricing for such Services less the applicable Integrator discount set forth in Section 8 hereto, and End User information, including, but not limited to, points of contact, site locations of Equipment, and serial numbers of Equipment.
- 5.7 Integrator shall provide to End User a copy of the corresponding Program Description for each Service purchased as of the date of commencement of Services.
- 5.8 Integrator shall provide to End User confirmation and registration materials for the services to be performed by Cisco on Integrator's behalf, including but not limited to, a copy of the Equipment Schedule (including charges) and Maintenance Contract Number.
- 5.9 Integrator shall manage and escalate, in accordance with the Cisco's Problem Prioritization and Escalation Guideline, all calls opened by Integrator on behalf of the End User.

6.0 WARRANTY SERVICE

6.1 Integrator shall provide to its End Users, at no charge, all warranty service applicable to the Products when they were purchased by End User, for a minimum of the warranty period set forth in the published Product warranty provided with the original Product. Warranty shall commence upon shipment to the End User. The warranty service provided by Integrator shall include, at a minimum, the following Software and Hardware replacement services:

6.1.1 Integrator shall distribute Bug Fixes to the End User during the warranty period.

6.1.2 Integrator shall meet the replacement obligations as set forth in the then-current published Product warranty applicable to the particular Product sold to the End User.

6.1.3 Returns Coordination. For Product returned to Cisco for replacement Integrator will comply with the following:

6.1.3.1 Coordinate the return of all failed parts, freight and insurance prepaid, to the location designated by Cisco. For Product that has been advance replaced pursuant to the Product warranty terms, Integrator shall return failed/defective Product within ten (10) days of receipt of the replacement Product; otherwise, Cisco may invoice Integrator the then-current price of the Product as set forth in Cisco's Global Price List, less Integrator's standard discount.

6.1.3.2 Integrator shall (a) properly package all Products prior to shipping Products to Cisco, (b) include a written description of the failure; (c) describe any changes or alterations made to the Product, and; (d) tag each returned Product with the RMA transaction number provided by Cisco. Product returned to Cisco must conform in quantity and serial number to the RMA request.

7.0 RENEWAL OF SERVICES. Integrator shall be responsible for contacting the End User regarding renewal of each Support Agreement with End User. Integrator shall (a) monitor End User contract terms via SCC; and (b) provide End User will an adequate renewal notice period (not less than thirty (30) days) prior to the expiration date of their then current Support Agreement. Integrator will forward to Cisco either (i) the completed renewal with purchase order or (ii) notice of cancellation.

8.0 PENETRATION DISCOUNT AND RESALE OF SERVICES.

8.1 Discount for Initial Term. For the initial term of the Equipment Schedule(s) to the Support Agreement, the price of Services to Integrator is the then-current service list price less the applicable discount based on Integrator's penetration rate calculated as follows:

8.1.1 Determination of Service Penetration Rate. Service penetration rate is calculated by Integrator's total number of Products covered by Cisco brand services (per Attachment 1) as a percentage of the total number of Products purchased over the most recent period of twelve (12) months.

<TABLE>
 <CAPTION>
 Penetration Rate

 <S>
 0%-35%
 36%-55%
 56%-74%
 75%+
 </TABLE>

Discount

 <C>
 10%
 15%
 20%
 25%

- 8.1.2 Cisco will review Integrator's service sales penetration rate at the time the Integrator renews the Agreement with Cisco and at six-month intervals during the term of the Agreement. Cisco reserves the right to adjust Integrator's resale discount at the time of review. Any adjustment to the resale discount will be communicated in writing to the Integrator by Cisco.
- 8.1.3 Integrator must have purchased Product for a minimum of twelve months in order to determine the penetration rate. If Integrator has less than twelve months of Product purchases, Integrator's discount will be ten percent (10%).
- 8.1.4 Integrator's discount on Services shall be determined by calculating the rate of Services penetration based on the total amount of Product purchased by Integrator from Cisco plus the total amount of Product purchased by Integrator from Distributor(s).
- 8.2 Upon renewal of the Equipment Schedule(s), the discount shall be the corresponding discount associated with the Penetration Rate.
- 8.3 The discounts listed above do not apply when Integrator resells Cisco brand services for Other Product. Integrator discount for Other Product shall be fifteen percent (15%).
- 8.4 The discounts listed above do not apply when Integrator resells Other Services. Integrator Discount for Other Services shall be fifteen (15%) percent.
- 8.5 All Services are invoiced annually in advance, payable thirty (30) days from the invoice date in U.S. Dollars unless otherwise agreed to in the Agreement.
- 8.6 All prices in the Equipment Schedule(s) are exclusive of any taxes and duties which, if applicable, shall be paid by Integrator. Applicable taxes are billed as a separate item. In addition, the following items will be billed to Integrator: (i) time and material fees for any additional services performed by Cisco; and (ii) Product list price of replaced Product not returned by End User pursuant to the terms as set forth on the applicable Program Description.
- 8.7 Integrator is free to determine its prices for Services to End Users unilaterally. Integrator understands that neither Cisco, nor any employee or representative of Cisco, may give any special treatment (favorable or unfavorable) to Integrator as a result of Integrator's selection of resale prices. No employee or representative of Cisco or anyone else has any authority to specify what Integrator's resale prices for the Services

must be, or to inhibit in any way, Integrator's pricing discretion with respect to the Services.

- 8.8 Support for Other Product. Integrator may support Other Product under the following conditions: Integrator provides Cisco (i) Notice to support Other Product; and (ii) a letter from the End User including notification for Service from the Integrator, which letter must include a list of the Product(s) and serial numbers) to be supported.
- 8.9 Unsupported End User List. Integrator must provide information on all End Users who have purchased Product from Integrator without also purchasing Services. In the event Integrator does not provide this information for all Products, in each quarter, Cisco will provide a report identifying the model types and serial numbers of Product purchased by Integrator for which the following information is required: End User name and End User address and phone number. Integrator will complete and return this information to Cisco no later than twenty (20) business days from the date the report is provided to Integrator.

9.0 WARRANTY.

NOTHING IN THIS CBR AGREEMENT SHALL AFFECT THE WARRANTIES PROVIDED WITH ANY HARDWARE PURCHASED OR SOFTWARE LICENSED BY INTEGRATOR AND/OR END USER. ANY AND ALL SERVICES PROVIDED HEREUNDER SHALL BE PERFORMED IN A WORKMANLIKE MANNER. EXCEPT AS SPECIFIED IN THIS SECTION, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE (EVEN IF THE PURPOSE IS KNOWN TO CISCO), SATISFACTORY QUALITY, AGAINST INFRINGEMENT OR ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE, ARE HEREBY EXCLUDED TO THE GREATEST EXTENT ALLOWED BY APPLICABLE LAW. INTEGRATOR MUST NOTIFY CISCO PROMPTLY OF ANY CLAIMED BREACH OF ANY WARRANTIES. INTEGRATOR'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF WARRANTY SHALL BE, AT CISCO'S OPTION, RE-PERFORMANCE OF THE SERVICES; OR TERMINATION OF THE APPLICABLE SERVICE ON THE EQUIPMENT LIST AND RETURN OF THE UNUSED PORTION OF THE FEES PAID TO CISCO BY INTEGRATOR FOR SUCH NON-CONFORMING SERVICES. THIS DISCLAIMER AND EXCLUSION SHALL APPLY EVEN IF THE EXPRESS WARRANTY AND LIMITED REMEDY SET FORTH ABOVE FAILS OF ITS ESSENTIAL PURPOSE. THE WARRANTY PROVIDED IS SUBJECT TO THE LIMITATION OF LIABILITY SET FORTH IN THE CBR AGREEMENT. INTEGRATOR SHALL NOT MAKE ANY WARRANTY COMMITMENT, WHETHER WRITTEN OR ORAL, ON CISCO'S BEHALF.

10.0 GENERAL.

10.1 Entitlement.

Integrator acknowledges that an End User and/or Integrator is entitled to receive support" services only on Products for which Integrator or End User has paid the applicable fees.

Integrator agrees to assist Cisco with enforcement of End User entitlement to the extent Cisco, in its discretion, deems such assistance to be necessary.

10.2 Independent Contractors.

The relationship of Cisco and Integrator is that of independent contractors, and nothing contained in this CBR Agreement shall be construed to (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the parties as partners, joint venturers, fiduciaries, co-owners or otherwise as participants in a joint or common undertaking, or (iii) allow Integrator to create or assume any obligation on behalf of Cisco for any purpose whatsoever. All financial obligations associated with Integrator's business are the sole responsibility of Integrator. All sales and other agreements between Integrator and its End Users are Integrator's exclusive responsibility and shall have no effect on Integrator's obligations under this CBR Agreement. Integrator shall not make any representations or warranties of any kind on behalf of Cisco, or with respect to the content or nature of Services to be provided by Cisco.

10.3 Integrator hereby indemnifies and holds Cisco harmless from any claim, loss, damage or expense, including reasonable court costs and attorney's fees ("Damages"), resulting from any claim made by End User against Cisco hereunder under claim of a third party beneficiary or otherwise or which arise out of the representations, acts or failure to act of Integrator. This shall not limit Cisco's obligations, subject to the terms and conditions of this CBR Agreement, to provide the Services described herein.

10.4 Except for those provisions required to be included pursuant to Section 5, Integrator is free to determine the contents of its Support Agreement provided that Cisco is under no obligation to Integrator nor End User to provide any services other than those specified in this CBR Agreement. Integrator shall indemnify Cisco for any additional commitments or representations whether written or oral, made on Cisco's behalf.

10.5 URL. Integrator hereby confirms that it has the ability to access, has accessed and has read, the information made available by Cisco at all of the world wide web sites/URLs/addresses/pages referred to anywhere throughout this Agreement (including any of the Exhibits hereto). Integrator acknowledges that Cisco may modify any URL address or terminate the availability of any information at any address without notice to Integrator.

11.0 TERMINATION.

Each Service shall terminate in accordance with its terms as set forth on the Program Description. Notwithstanding anything to the contrary, each Service hereunder shall terminate immediately upon termination of this CBR Agreement, unless otherwise agreed by Cisco. Any such termination shall be entirely without liability to either party, except as set forth below.

11.1 Services may be terminated by Cisco and/or Cisco may suspend its performance immediately upon written notice to Integrator if Integrator fails to pay for the Services when due and fails to make such payment within fifteen (15) days after written notice from Cisco of such past due payment. Any continuation of Services shall be at Cisco's sole discretion.

- 11.2 This CBR Agreement, and/or any Services hereunder may be terminated immediately upon written notice by either party under any of the following conditions:
- 11.2.1 If the other party has failed to cure a breach of any material term or condition under the CBR Agreement, and/or Services within thirty (30) days after receipt of Notice from the other party including a detailed description of such breach.
- 11.2.2 Either party assigns (by operation of law or otherwise, and including merger) or transfers any of the rights or responsibilities granted hereunder, without the prior written consent of the other party, except as permitted under this CBR Agreement or in the event of a sale of all or substantially all of such party's assets, or transfer of a controlling interest in such party to an unaffiliated third party.
- 11.3 Upon termination of this CBR Agreement, and/or any Services, Integrator shall pay Cisco for all work performed under the affected Service(s) up to the effective date of termination at the agreed upon prices, fees and expense.
- 11.4 In the event this CBR Agreement is terminated by either party, neither shall have any further obligations under this CBR Agreement, except as provided herein. Termination of this CBR Agreement shall not constitute a waiver for any amounts due.

12.0 LIMITATION OF LIABILITY.

NOTWITHSTANDING ANYTHING ELSE HEREIN, ALL LIABILITY OF CISCO, ITS SUPPLIERS AND ITS SUBCONTRACTORS UNDER THIS CBR AGREEMENT SHALL BE LIMITED TO THE AMOUNTS PAID BY CUSTOMER TO CISCO UNDER THE PROGRAM DESCRIPTION GIVING RISE TO SUCH LIABILITY FOR THE SERVICES THAT WERE PROVIDED DURING THE SIX (6) MONTHS PRECEDING THE EVENT OR CIRCUMSTANCES GIVING RISE TO SUCH LIABILITY.

13.0 CONSEQUENTIAL DAMAGES WAIVER.

IN NO EVENT SHALL CISCO, ITS SUPPLIERS OR ITS SUBCONTRACTORS BE LIABLE FOR (A) ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOST DATA, OR ANY OTHER INDIRECT DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE OR (B) ANY COSTS OR EXPENSES FOR THE PROCUREMENT OF SUBSTITUTE EQUIPMENT OR SERVICES, EVEN IF CISCO OR ITS SUPPLIERS HAVE BEEN INFORMED OF THE POSSIBILITY THEREOF.

ATTACHMENT 1 TO EXHIBIT C
SERVICES AVAILABILITY

<TABLE>
<CAPTION>

SERVICE -----	AVAILABILITY -----
<S> SMARTnet 8x5xNext Business Day ("NBD")	<C> Available in the U.S., Canada, Australia, European Union, Switzerland, Norway
SMARTnet 8x5x4 (1)	Available in the U.S., Canada and Australia
SMARTnet 24x7x4 (1)	Available in the U.S., Canada and Australia
SMARTnet Onsite 8x5xNBD	Available in the U.S., Canada and Australia
SMARTnet Onsite 8x5x4 (1,2)	Available in the U.S., Canada and Australia
SMARTnet Onsite 24x7x4 (1,2)	Available in the U.S., Canada and Australia
Software Application Services ("SAS") Software Application Services with Updates ("SASU")	Available in the U.S., Canada, Australia, European Union, Switzerland, Norway

</TABLE>

<TABLE>
<CAPTION>

OTHER SERVICE -----	AVAILABILITY -----
<S> Focused Technical Support/Network Optimization Support (FTS/NOS) - configuration as selected and detailed on Purchase Order	<C> Available in the U.S., Canada, Australia, European Union, Switzerland, Norway
Technology Application Support (TAS) - configuration as selected and detailed on Purchase Order	Available in the U.S., Canada, Australia, European Union, Switzerland, Norway

</TABLE>

A current list of Services is provided above.
List may be updated from time to time.
Current information is available upon request.

-
- (1) Availability is restricted to within one hundred (100) miles of a parts depot.
 - (2) Availability is restricted to within fifty (50) miles of an authorized service location.

ADDITIONAL SITES WORKSHEET

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End Customer Name:
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City:
State/Postal Code:
Country:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:

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End Customer Name:
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State/Postal Code:
Country:
ATTN:
Phone/Fax:
Product/Serial No.

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End Customer Name:
Str:
City:
State/Postal Code:
Country:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:

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 TAS

<C>
 SMARTnet 24x7x4
 SMARTnet onsite 24x7x4

<C>
 SAS

End Customer Name:
Str:
City:
State/Postal Code:
Country:
ATTN:
Phone/Fax:
Product/Serial No.

Product Type:
Original Product Purchase Order:
Serial Number:

ATTACHMENT 3 TO EXHIBIT C

PROGRAM DESCRIPTIONS AND SAMPLE END USER AGREEMENT

Program Descriptions and a Sample End User Agreement can be downloaded from the URLs identified below.

PROGRAM DESCRIPTIONS

SMARTnet

<http://www.cisco.com/warp/partner/synchronicd/cc/serv/mkt/sup/part/ptssof/tcpspv/brsp/brres/index.htm>

SMARTnet Onsite

<http://www.cisco.com/warp/partner/synchronicd/cc/serv/mkt/sup/part/ptssof/tcpspv/brsp/brres/index.htm>

SAS/SASU

<http://www.cisco.com/warp/partner/synchronicd/cc/serv/mkt/sup/part/ptssof/tcpspv/brsp/brres/index.htm>

FTS/NOSITAS

[Contact Cisco Legal to download applicable documents from US/Enterprise Section of Legal Services Web Site]

SAMPLE AGREEMENT

Sample End User Agreement

<http://www.cisco.com/warp/partner/synchronicd/cc/serv/mkt/sup/part/ptssof/tcpspv/brsp/brres/index.htm>

ATTACHMENT 4 TO EXHIBIT C
END USER MINIMUM TERMS AND CONDITIONS FOR SUPPORT AGREEMENT

Each Support Agreement will contain the following minimum terms and conditions:

- (1) End User agrees to comply with Cisco's Export Restrictions.
- (2) End User agrees to comply with Cisco's standard Software License Agreement for all Cisco software provided with any Service (including any upgrades, patches, or Bug Fixes provided at a later time).
- (3) End User agrees to comply with terms and conditions provided in the Program Description.
- (4) End User will keep all Cisco Confidential Information confidential.
- (5) Sufficient provisions such that Cisco shall be entitled to act as a third party beneficiary with respect to the enforcement of the terms and conditions herein. This will include expressly naming Cisco as an intended third-party beneficiary with respect to each of the End User Minimum Terms and Conditions contained in this Attachment 5. Cisco shall expressly be granted the right to enforce the obligations of End User directly against End User.
- (6) Cisco or its suppliers' liabilities shall be limited to the amounts paid by End User under the Service giving rise to the liability during the six (6) months preceding the event or circumstances giving rise to such liability. Liability under each Service shall be cumulative and not per incident.
- (7) In no event shall Cisco or its suppliers shall be liable for (A) any indirect, incidental, special, punitive or consequential damages, lost profits or lost data, whether arising in contract, tort (including negligence) or otherwise; or (B) any costs or expenses for the procurement of substitute equipment or services in each case, even if End Users, Integrator, Cisco, or its suppliers have been informed of the possibility thereof,
- (8) Cisco makes no warranty to End User of any kind with respect to the Product, express or implied, including, without limitation, the implied warranties of merchantability, fitness for a particular purpose and non-infringement of third party rights. Any and all Services provided hereunder shall be performed in a workmanlike manner.

A sample Support Agreement for use by Integrator is located at the URL identified in Attachment 3. Integrator shall attach the applicable Program Description to each Support Agreement between Integrator and End User.

EXHIBIT G
FAR CLAUSES

A. Cisco will accept only the U.S. Government contract flowdown provisions in this Exhibit in any purchase order from Integrator. Cisco will not accept any other flowdown provisions, including, but not limited to, the United States Government Federal Acquisition Regulation ("FAR") and its supplements.. Any such flowdown provisions on Integrator's purchase orders or supplementary, documentation not specifically identified on this Exhibit are invalid, notwithstanding Cisco's acceptance of such purchase orders or supplementary documentation, whether for resale or internal use.

B. This Agreement pertains to the sale of "commercial items" as that term is defined under FAR 2.101 and FAR Part 12. Notwithstanding any other clause in the prime contract, only those clauses identified in 52.212-5(e) and 52.244-6 are required to be in subcontract agreements for commercial items or commercial components, see FAR 12.502(b), 44.402(b). The following FAR clauses, identified in 52.212-5(e) and 52.244-6 are hereby incorporated by reference, with the same force and effect as if they were given in full. For purposes of this Agreement, when appropriate in adopting the terminology of all the following FAR clauses, the term "contract" shall mean this Agreement; the term "Contractor" shall mean Cisco; the term "Government:" and "Contracting Officer" shall mean Integrator.

- | | |
|-----------|---|
| 52.222-26 | Equal Opportunity (Feb 1999); |
| 52.222-35 | Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (Apr 1998) |
| 52.222-36 | Affirmative Action for Workers with Disabilities (Jun 1998) |

SALES AGREEMENT SUMMARY / PROFILE FORM / DATABASE SUMMARY FORM

CUSTOMER DETAILS

Company Name/Address: INTERNETWORK EXPERTS, INC. (Main Party)
15960 Midway Road Suite 101
Addison
TX 75001
United States of America (U.S.A.)

CONTRACT MANAGEMENT CONTACT:
Gary Derheim
15960 Midway Road Suite 101
Addison
TX 75001
United States of America (U.S.A.)
: 469-791-4904
: gary.derheim@inetx.com

CONTRACT CLASSIFICATION: Channel, Resale, Federal
CONTRACT TITLE: Amendment 3
CONTRACT #: 8129
GLOBAL DEAL #:

INTERNATIONAL CISCO CONTRACTS

ACCOUNT MANAGER: Jay D. Ingram AREA FINANCIAL CONTROLLER:
CONTRACT NEGOTIATOR: Lisa A. Swinnerton GLOBAL SERVICE MANAGER:

NEW AGREEMENT: No
DESCRIPTION SUMMARY: Federal Amendment to US S1 to allow
Internetwork Experts to resell to the US
Federal Government

ADDITIONAL CONTRACT NEGOTIATOR
COMMENTS:

AFFILIATES

INCLUDE AFFILIATES: No
PARENT GUARANTEE: No
PARENT GUARANTEE COMMENTS:

OTHER DETAILS

CISCO SUPPORT: Yes

Support Types:
Cisco Brand Resale (CBR)

Other Support Types:
Federal CBR Exhibit

SALES TERRITORIES: United States Of America (U.S.A.)

FINANCIALS
FORECASTS: \$ 8,000,000
PRICE LIST: Global Price List in US Dollars
PAYMENT CURRENCY: USD
LCA SIGNED: No
LCA COUNTRY:

MANDATORY TERMS

<TABLE>
<CAPTION>

Mandatory Terms	Section in Contract	Position	Comments	Standard/Non-Standard	Cisco Approver
<S> Assignment	<C> 24.3	<C> Other Party W/Cisco Consent & Cisco W/O	<C> Assignment: STANDARD AGREEMENT TERM:	<C> Standard	<C>
Insurance Requirements		Not Applicable		Standard	
Multinational Deployment		Multi-National Program Applies	Multinational Deployment Policy: STANDARD AGREEMENT TERM:	Standard	
Payment (Product)		30days Net From Ship/Invoice Date	Payment:30 DAYS FROM DATE OF SHIPMENT:	Standard	
Payment (Service)		30days Net From Invoice Date		Standard	
Shipping & Delivery		Fob Origin (Ucc), Other	Shipping Term: FOB ORIGIN:, Title Passage: UPON TRANSFER OF POSSESSION TO CARRIER: Risk of Loss: UPON TRANSFER OF POSSESSION TO CARRIER: Delivery: CURRENT PRODUCT LEAD TIMES:	Standard	
Termination (Product)	14.1	Other	TERMINATION W/O CAUSE: 45 DAYS PRIOR WRITTEN NOTICE	Standard	
Termination (Service)	14.1	Other	TERMINATION W/O CAUSE: 45 DAYS PRIOR WRITTEN NOTICE	Standard	

</TABLE>

DISCOUNTS

<TABLE>
<CAPTION>

%	DISCOUNT TYPE	COMMENTS/DESCRIPTION
<S> 25	<C> Internal Use Flat-Rate Discount	<C> INTERNAL USE:
45	Demo/Eval/Lab/Discount	DEMO:

</TABLE>

it-legal-vcas@cisco.com, 12:40 PM 2/3/2003 -0800, VAP Request -12569 Your Request has been Ap

Date: Mon, 3 Feb 2003 12:40:09 -0800 (PST)
From: it-legal-vcas@cisco.com
To: lswinner@cisco.com
Subject: VAP Request - 12569 Your Request has been Approved.
X-Mailer: VapNotify

Your VAP Request 12569 has been Approved.
Requestor: Lisa Swinnerton
Position: Contract Negotiator
Title : Amendment #3 to the US Systems Integrator Agreement
Party name: Internetwork Experts, Inc.

You can view the request at following URL:

[http://wwwin-apps.cisco.com/cto/legal/vap/servlet/vap.History?id=12569.](http://wwwin-apps.cisco.com/cto/legal/vap/servlet/vap.History?id=12569)

Sincerely,

VAP Administration

This is a system generated message. Please do not reply to this email.

PRINTED FOR LISA SWINNERTON <LSWINNER@CISCO.COM>

AMENDMENT NO. 4

This Amendment ("Amendment") by and between Cisco Systems, Inc., ("Cisco") a California corporation having its principal place of business at 170 West Tasman Drive, San Jose, CA, 95134, and Internetwork Experts, Inc. ("Integrator"), a Texas corporation having its principal place of business at 15960 Midway Road, Suite 101, Addison, Texas 75001 is entered into as of the date last written below (the "Amendment Date").

WHEREAS, Cisco and Integrator have previously entered into the Systems Integrator Agreement dated November 13, 2001 as amended ("Agreement"), and

NOW WHEREFORE, the parties agree to further amend the Agreement as follows:

- 1) The term of the Agreement is extended until November 12, 2004.
If the Agreement shall have expired prior to the Amendment Date, any orders received and Products purchased between the date of expiration and the Amendment Date shall be in all respects deemed made under the Agreement as in effect prior to this Agreement.
- 2) Exhibit A to the Agreement ("Integrator Profile") is hereby deleted in its entirety and replaced with the attached Exhibit A-1.
- 3) Exhibit C-1 to the Agreement ("Support") is hereby deleted in its entirety and replaced with the attached Exhibit C-2.
- 4) All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Amendment Date.

CISCO SYSTEMS, INC.

INTERNETWORK EXPERTS, INC.

By: /s/ Rick Timmins

By: /s/ Paul Klotz

(Authorized Signature)

(Authorized Signature)

NAME: Rick Timmins
TITLE: VP WW Sales Finance
DATE: Jan 16 2004

NAME: Paul Klotz
TITLE: Vice President
DATE: 1-12-04

EXHIBIT A-1

INTEGRATOR PROFILE

INTEGRATOR'S ASSIGNED SALES TERRITORY:

United States, excluding Puerto Rico.

VERTICAL MARKETS ADDRESSED BY INTEGRATOR'S ADDED VALUE:

Enterprise - Retail, Hospitality, Transportation, Energy, Entertainment, Legal, Financial, Healthcare and Government and Education

INTEGRATOR'S ADDED VALUE:

PROFESSIONAL SERVICES INCLUDING NETWORK ARCHITECTURE, DESIGN, IMPLEMENTATION, TRAINING AND SUPPORT.

INTEGRATOR'S VOLUME REQUIREMENT:

During each twelve (12) month term of this Agreement, Integrator will Resell at least ten million dollars (\$10,000,000) of Cisco Products and Services.

INTEGRATOR'S CERTIFICATION REQUIREMENT:

As of the Effective Date, and throughout the term of this Agreement, Integrator will maintain at least Cisco Silver certification in the Territory.

EXHIBIT C-2
SUPPORT EXHIBIT
[REVISION: 1.1 RELEASE DATE: 11/5/2003]

This Support Exhibit ("Exhibit") supplements the Agreement and all the terms and conditions of the Agreement apply to this Exhibit; provided, that to the extent there is a conflict between the Agreement and this Exhibit, the terms of this Exhibit shall take precedence over the terms and conditions of the Agreement with regard to the subject matter described herein.

1.0 DEFINITIONS.

- 1.1 "Advanced Services" means the Cisco brand services listed in Attachment A, including but not limited to Focused Technical Support, Network Optimization Support, Technology Application Support and Total Implementation Services, which are available for resale to End User only if the End User has Technical Support Services across the same devices at the End User location.
- 1.2 "Business Partner Readiness Assessment ("BPRA")" means an assessment performed by Cisco to measure the maturity of Integrator's e-business capabilities.
- 1.3 "Bug Fix" means an error correction, patch or workaround for the Software which Cisco provides to Integrator.
- 1.4 "Cisco.com" means, Cisco's suite of on-line Services and information at www.cisco.com, previously known as CCO.
- 1.5 "Equipment List" means the approved Cisco-provided list of Product covered under each End User's Support Agreement, where applicable.
- 1.6 "First Call" means the initial call made by the End User when requesting assistance with Product.
- 1.7 "Maintenance Contract Number" means the reference number assigned by Cisco for each Service purchased from Cisco. The Maintenance Contract number is to be used by Integrator or End User when opening a case with Cisco.
- 1.8 "Networking Product Market Place" means the online location of Cisco's online Ordering Tool on Cisco.com.
- 1.9 "Ordering Tool" means a tool that Integrator may use to order Service detailed herein via the Networking Product Market Place.
- 1.10 "Other Product" means Product which an End User acquired from sources other than Integrator.
- 1.11 "Service Contract Center" means a tool on Cisco.com that Integrator may use to order Service, renew orders and asset management of its installed base.

- 1.12 "Services" mean the Cisco brand services listed in Attachment A (Technical Support Services and Advanced Services) which are available for resell to End User.
 - 1.13 "Support Agreement" means the then-current agreement for the Services.
 - 1.14 "Technical Support Services" means SMARTnet, SMARTnet Onsite and Software Application Support Services delivered by Cisco to End User.
- 2.0 SCOPE. The support hereunder is intended for Integrators which do not support End Users under their own brand of service. Integrator, in lieu of providing service directly, will resell Cisco brand Services to be delivered directly by Cisco to the End User as described herein.
- 2.1 BPRA. Integrator must complete the Business Partner Readiness Assessment prior to resale of any Services hereunder.
 - 2.2 Ordering Tools. Integrator agrees to use Cisco offered 'electronic ordering solutions (e.g. Ordering Tool and Service Contract Center) for any new service orders or service renewal orders. End-User name and site details are required to place any orders.
- 3.0 CISCO RIGHTS AND OBLIGATIONS. For each End User to whom Integrator resells Cisco Brand Services, Cisco will use commercially reasonable efforts to provide Services directly to Integrator's End User in accordance with the following.
- 3.1 Cisco.com Access. Cisco will provide an appropriate level of partner access to Cisco.com. This system provides Integrator with technical and general information on Products.
 - 3.2 Warranty. For the duration of the Cisco warranty period, Cisco will provide Bug Fixes and Hardware replacement service to Integrator as follows:
 - 3.2.1 Bug Fixes.
 - 3.2.1.1 When required, Cisco will provide new Software to Integrator to correct a problem, or provide a network- bootable Software image, as determined by Cisco.
 - 3.2.1.2 Distribution Rights. Cisco grants Integrator the right to distribute Bug Fixes to its End Users provided the End User is currently licensed to use the Software.
 - 3.2.2 Hardware Support. Cisco will replace Product in accordance with the warranty terms set forth in the published Product warranty provided with the original Product.
 - 3.3 Resale of Services. Cisco will make the Services listed in Attachment A, Services Availability, to this Exhibit available to Integrator for resale to Integrator's End Users. Services are subject to the availability limitations specified in Attachment A.

- 3.4 Support Agreements. Support will be provided to End Users pursuant to a standard Cisco Support Agreement between Cisco and End User. The Support Agreements to be used are provided by Cisco. Notwithstanding anything to the contrary, nothing in this Exhibit shall require Cisco to execute a Support Agreement with an End User. Prior to commencing Services for an End User, Cisco must receive the documents specified in Section 4.1.2 of this Exhibit whereupon Cisco will:
- 3.4.1 Validate Product model and serial numbers.
 - 3.4.2 Execute and return the Support Agreement and provide an Equipment List (excluding charges) and the Support Agreement number to the End User.
 - 3.4.3 Provide a copy of the Equipment List (including charges) and Support Agreement number to Integrator.

4.0 INTEGRATOR RIGHTS AND OBLIGATIONS.

- 4.1 Resale of Services. Subject to the terms and conditions of this Exhibit, Integrator is authorized on a nonexclusive basis to resell Services to End Users, according to the following process:
- 4.1.1 Integrator resells the Services to an End User and providing the End User with a copy of the standard Cisco Support Agreement for review and signature. Integrator and End User may not make any modification(s) to the Support Agreement.
 - 4.1.2 Cisco requires the following documents from Integrator prior to commencing Services to End Users:
 - 4.1.2.1 Submission via Ordering Tools of the transaction details including but not limited to Cisco brand Services ordered and relevant End User information.
 - 4.1.2.2 Signed standard Cisco Support Agreement by the End User sent to the following address (or such other address as may be notified to Integrator and/or End User from time to time):

Cisco Systems, Inc.
Customer Advocacy
170 West Tasman Drive
San Jose, CA 95134
 - 4.1.2.3 Valid purchase order for the applicable service price from Integrator.
 - 4.1.2.4 Integrator's submission of incomplete or incorrect documents will delay execution and return of the standard Cisco Support Agreement.

- 4.1.3 Renewal of Support Agreements. Cisco renews the Support Agreement through Integrator. Forty five (45) days prior to renewing the Equipment List to the Support Agreement, Cisco will send a renewal notice to Integrator. Upon receipt of Cisco's notice of renewal of the Equipment List for the End User, Integrator will forward to Cisco either (i) the completed renewal with purchase order or (ii) notice of cancellation. If a renewal is not completed or notice of cancellation is not received by Cisco within thirty (30) days from the expiration date of the Equipment List, Cisco reserves the right to renew directly with the End User.
- 4.2 First Call. Integrator may take the First Call from the End User and may open a case with Cisco on behalf of the End User using Maintenance Contract Number. At all times the End User has the option of calling Cisco directly for support. In addition, integrator may request email notification whereby Cisco notifies Integrator of End User activity with Cisco.
- 4.3 All calls opened by Integrator on behalf of the End User shall be handled and escalated in accordance with the Cisco's Problem Prioritization and Escalation Guideline (Appendix A).
- 4.4 Equipment List.
 - 4.4.1 Integrator shall ensure that Product for which Services are being provided under an End User's Support Agreement are listed in the Equipment List(s).
 - 4.4.2 Integrator must provide thirty (30) days notice of requested addition(s) to the Equipment List. In addition, thirty (30) days notice is required for Product relocations and service level/Product configuration changes, where applicable. For Product on the Equipment List which End User has moved to a new location, Integrator will notify Cisco in writing (i.e. via facsimile, electronic mail or using Cisco.com).
 - 4.4.3 The Equipment List may be revised for new Product, service level upgrades and Product configuration changes through submission of Integrator's purchase order requesting such revisions and Cisco's acceptance thereof (based on availability). For changes, Cisco will charge the pro-rated difference from the date upon which the change is requested to the end of the impacted Equipment List's term.
- 4.5 Warranty Service.
 - 4.5.1 Integrator shall provide to its End Users, at no charge, all warranty service for a minimum of the warranty period set forth in the published Product warranty provided with the original Product. Warranty shall commence upon shipment to the End User. Warranty service consists of the following Software and Hardware replacement services:

- 4.5.1.1 Integrator will distribute Bug Fixes to the End User during the warranty period.
- 4.5.1.2 Integrator will meet the replacement obligations as set forth in the then-current published Product warranty applicable to the particular Product sold to the End User.
- 4.5.2 Returns Coordination. For Product returned to Cisco for replacement under warranty, Integrator will comply with the following:
 - 4.5.2.1 Coordinate the return of all failed parts, freight and insurance prepaid, to the Cisco designated location. For Product that has been advance replaced pursuant to the Product warranty terms, Integrator shall return failed/defective Product within ten (10) days of receipt of the replacement Product; otherwise, Product will be invoiced to Integrator at the then current list price.
 - 4.5.2.2 Comply with the following RMA procedure:
 - 4.5.2.2.1 Ensure all Products are properly packaged prior to being shipped, and will include a written description of the failure and specification of any changes or alterations made to the Product. Product returned to Cisco will conform in quantity and serial number to the RMA request.
 - 4.5.2.2.2 Tag each Product returned with the RMA transaction number and a brief description of the problem.
- 4.6 Unsupported End User List. If Integrator elects not to support Product under this Exhibit, Integrator shall refer End User information, including but not limited to End User name, address and phone number to Cisco at the time of Product purchase or renewal of support via any of the means described in section 1.4 above. If Product becomes unsupported due to End User decision at some point subsequent to initial deployment, Integrator shall refer End User information to Cisco within 90 days of equipment becoming unsupported.

5.0 PRICE AND PAYMENT TERMS.

5.1 DISCOUNTS.

- 5.1.1 UNIT-BASED MODEL. The price of Services to Integrator for a period of twelve months from the Effective Date ("Unit-Based Measurement Period") shall be calculated by applying Cisco's then current service list price less the applicable discount based on Integrator's ability to have attached Service to Product purchased ("Attach Rate") over the previous twelve (12) month period on a units-based method ("Unit-Based") shown below.

Determination of Unit-Based Attach Rate. Unit-Based Attach Rate is established by calculating Integrator's total number of Products covered by Cisco brand services (per Attachment A) as a percentage of the total number of Products purchased over the most recent period of twelve (12) full calendar months.

ATTACH RATE	DISCOUNT
0%-35%	10%
36%-55%	15%
56%-74%	20%
75%+	25%

5.1.2 REVENUE-BASED MODEL. The price of Services to Integrator for a period of twelve months from expiration of the Unit-Based Measurement Period and for subsequent twelve month period(s) ("Revenue-Based Measurement Period") shall be calculated by applying Cisco's then-current service list price less the applicable discount based on Integrator's ability to have attached Service to Product purchased ("Attach Rate") over the previous twelve (12) month period on a revenue based method ("Revenue-Based") shown below.

Determination of Revenue-Based Attach Rate. Attach Rate is calculated by Integrator's total monetary value (U.S. Dollar) of Service actually sold over a period of twelve months as a percentage of the total monetary (U.S. Dollar) value of Service that would have been payable had support attached to every device purchased over the same twelve month period, based on SMARTnet NBD list price. The Attach Rate calculation only applies to service coverage on Product originally sold by the Integrator and any multi-year service contracts are amortized over the life of the service coverage. Other Product is not covered.

ATTACH RATE	DISCOUNT
0%-35%	10%
36%-55%	15%
56%-74%	20%
75%+	25%

Examples:

Integrator purchased 8 devices (6 of Device A and 2 of Device B) and sold support on 4 of Device A and 2 of Device B. Regardless of the level of service actually sold on the device, SNT NBD pricing is used to determine coverage value for calculating Attach Rate. The NBD price for the Device A is \$50 and for Device B is \$10. The Attach Rate is actual Service sold (4x\$50 plus 2x\$10) divided by total dollar value of Service (6x\$50 plus 2x\$10). 220/320=69% represents the Attach Rate with a corresponding discount of 20%.

Multi-Year Scenario: Integrator purchased 1 device (1 of Device A) and sold 3 year support on the 1 device. The NBD three year price for the Device A is \$150. The Attach Rate is calculated by dividing the multi-year price by the number of years covered (in this case, three years or \$150/3) and crediting the first year Attach Rate actual performance and Attach Rate opportunity (\$50). The Attach Rate actual performance is the one year NBD value of service sold (\$50) divided by the one year NBD value of the total dollar value of Service (\$50) and represents an Attach Rate of 100% with a corresponding discount of 25%.

- 5.1.3 Cisco will review Integrator's actual service sales Attach Rates at the time the Integrator renews the Agreement with Cisco and at six month intervals using a Revenue-Based Model approach during the term of the Agreement. Cisco reserves the right to adjust Integrator's resale discount at the time of review. Any adjustment to the resale discount will be communicated in writing to the Integrator by Cisco.
- 5.1.4 Integrator must have purchased Product for a minimum of twelve months in order to determine the Attach Rate. If Integrator has less than twelve months of Product purchases, Integrator's discount will be ten percent (10%).
- 5.1.5 Upon renewal of the Equipment List(s), the discount will be the corresponding discount associated with the Attach Rate.
- 5.1.6 The discounts listed above do not apply when Integrator resells Cisco brand services for Other Product. Integrator discount for Other Product shall be fifteen percent (15%).
- 5.1.7 The discounts listed above do not apply when Integrator resells Advanced Services. Integrator Discount for Advanced Services shall be ten (10%) percent.
- 5.2 All Services are invoiced annually in advance and payable within thirty (30) days from the invoice date in U.S. Dollars unless otherwise agreed to in the Agreement in writing.
- 5.3 All prices in the Equipment List(s) are exclusive of any taxes and duties which, if applicable, shall be paid by Integrator. Applicable taxes are billed as a separate item. In addition, the following items will be billed to Integrator: time and material fees and Product list price of replaced Product not returned pursuant to the terms of End User's Support Agreement.
- 5.4 This Agreement may be terminated by Cisco and/or Cisco may suspend its performance immediately upon Notice if (i) Integrator does not provide the Unsupported End User List pursuant to Section 4.3 within thirty (30) days after the end of the previous quarter and after Notice from Cisco or (ii) Integrator fails to pay for the Services when due and fails to make such payment within fifteen (15) days after Notice from Cisco of such past due payment. Notwithstanding the above, Cisco

shall have the right to seek payment for Services directly from the End User in the event Integrator does not remit payment to Cisco pursuant to the payment terms.

- 5.5 Integrator is free to determine its resale prices unilaterally. Integrator understands that neither Cisco, nor any employee or representative of Cisco, may give any special treatment (favorable or unfavorable) to Integrator as a result of Integrator's selection of resale prices. No employee or representative of Cisco or anyone else has any authority to specify what Integrator's resale prices for the Services must be, or to inhibit in any way, Integrator's pricing discretion with respect to the Services.
- 5.6 Support for Other Product. Integrator may support Other Product under the following conditions: Integrator provides Cisco (i) a request to support Other Product and (ii) a letter from the End User including a request for Service from the Integrator and a list of the Product(s) and serial number(s) to be supported.

6.0 GENERAL.

- 6.1 Entitlement. Integrator acknowledges that an End User is entitled to receive support services only on Product for which Integrator has paid the applicable license and support fees to Cisco. Integrator agrees to assist Cisco with enforcement of End User entitlement as necessary.
- 6.2 Disclosure of Contract Information. Integrator acknowledges and agrees that in no event shall any of the information contained in this Exhibit or Integrator's Agreement number be disclosed to any third party.
- 6.3 Representations and Warranties. Integrator shall not make any representations or warranties on behalf of Cisco, except as expressly authorized herein or as expressly authorized by Cisco in writing. Neither Integrator nor Cisco will make any obligation to End Users on behalf of the other, nor commit the resources of the other to End Users.
- 6.4 Independent Contractors. The relationship of Cisco and Integrator established by this Exhibit is that of independent contractors, and nothing contained in this Exhibit shall be construed to (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the parties as joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (iii) allow Integrator to create or assume any obligation on behalf of Cisco for any purpose whatsoever. All financial obligations associated with Integrator's business are the sole responsibility of Integrator. All sales and other agreements between Integrator and its End Users are Integrator's exclusive responsibility and shall have no effect on Integrator's obligations under this Agreement. Integrator shall be solely responsible for, and shall indemnify and hold Cisco free and harmless from, any and all claims, damages or lawsuits (including Cisco's attorneys' fees) arising out of the acts of Integrator, its employees or its agents.
- 6.5 Indemnification. Integrator hereby indemnifies and holds Cisco harmless from any claim, loss, damage or expense, including reasonable court costs and attorney's fees,

resulting from any claim made by End User against Cisco hereunder under claim of a third party beneficiary or otherwise. This shall not limit Cisco's obligations, subject to the terms and conditions of this Agreement, to provide the Services described herein.

ATTACHMENT A TO EXHIBIT C-2
SERVICES AVAILABILITY

<TABLE>

<CAPTION>

TECHNICAL SUPPORT SERVICES

AVAILABILITY

<S>

SMARTnet 8x5xNext Business Day ("NBD")
SMARTnet 8x5x4
SMARTnet 24x7x4
SMARTnet 24x7x2

<C>

Please confirm via the Services Availability Matrix ("SAM") tool on Cisco.com, located at the following URL:
<http://www.cisco.com/cgi-bin/front.x/agents/SAM/cca>
sam landing.cgi

SMARTnet Onsite 8x5xNBD
SMARTnet Onsite 8x5x4
SMARTnet Onsite 24x7x4
SMARTnet Onsite 8x5x2

Software Application Services ("SAS") Software
Application Services with Updates ("SASU")

</TABLE>

<TABLE>

<CAPTION>

ADVANCED SERVICES

AVAILABILITY

<S>

Focused Technical Support/Network Optimization Support (FTS/NOS) - configuration as selected by Customer and further detailed on Purchase Order.

<C>

Please confirm availability of Advanced Services with the Cisco sales representative

Technology Application Support (TAS) - configuration as selected by Customer and further detailed on Purchase Order

Total Implementation Services (TIS)

Network Deployment Mentoring (NDM)

</TABLE>

A current list of Services is provided above. List may be updated from time to time. Current information is available upon request.

APPENDIX A
CISCO PROBLEM PRIORITIZATION AND ESCALATION GUIDELINE

To ensure that all problems are reported in a standard format, Cisco has established the following problem priority definitions. These definitions will assist Cisco in allocating the appropriate resources to resolve problems. Integrator must assign a priority to all problems submitted to Cisco.

PROBLEM PRIORITY DEFINITIONS:

- Priority 1: An existing network is down or there is a critical impact to the End User's business operation. Cisco, Integrator and End User will commit full-time resources to resolve the situation.
- Priority 2: Operation of an existing network is severely degraded, or significant aspects of the End User's business operation are being negatively impacted by unacceptable network performance. Cisco, Integrator and End User will commit full-time resources during Standard Business Hours to resolve the situation.
- Priority 3: Operational performance of the network is impaired while most business operations remain functional. Cisco, Integrator and End User are willing to commit resources during Standard Business Hours to restore service to satisfactory levels.
- Priority 4: Information or assistance is required on Cisco product capabilities, installation, or configuration. There is clearly little or no impact to the End User's business operation. Cisco, Integrator and End User are willing to provide resources during Standard Business Hours to provide information or assistance as requested.

Cisco encourages Integrator to reference this guide when Integrator-initiated escalation is required. If Integrator does not feel that adequate forward progress or the quality of Cisco service is satisfactory, Cisco encourages Integrator to escalate the problem ownership to the appropriate level of Cisco management by asking for the TAC Duty Manager.

CISCO ESCALATION GUIDELINE:

<TABLE>

<CAPTION>

Elapsed

Time

<S>

1-Hour

Priority 1

<C>
Customer
Engineering Manager

<C> Priority 2

Customer Engineering
Manager

<C> Priority 3

Customer Engineering
Manager

Priority 4

<C>

4-Hour

Technical Support
Director

24-Hour

Vice President
Customer Advocacy

Technical Support
Director

48-Hour

President (CEO)

Vice President
Customer Advocacy

72-Hour

Customer Engineering
Manager

96-Hour

President (CEO)

Technical Support
Director

Customer
Engineering
Manager

</TABLE>

Note: Priority 1 problem escalation times are measured in calendar hours 24 hours per day, 7 days per week. Priority 2, 3 and 4 escalation times correspond with Standard Business Hours. The Cisco Manager to which the problem is escalated will take ownership of the problem and provide the Integrator with updates. Cisco recommends that Integrator-initiated escalation begin at the Customer Engineering Manager level and proceed upward using the escalation guideline shown above for reference. This will allow those most closely associated with the support resources to correct any service problems quickly.

ACCESSING TAC:

North America, South America:	+1-800-553-2447 (within the United States)
	+1-408-526-7209
Europe, Middle East, Africa:	+32-2-778-4242
Asia Pacific:	+1-800-805-227 (within Australia)
	+61-2-9935-4107

ALLSTAR SYSTEMS, INC.

1996 INCENTIVE STOCK PLAN

AS AMENDED AND RESTATED EFFECTIVE AS OF JULY 1, 1997

1. PURPOSE OF THE PLAN

This Allstar Systems, Inc. 1996 Incentive Stock Plan is intended to provide a means through which the Company and its Subsidiaries may attract able persons to enter into the employ of the Company or its Subsidiaries and to promote the interests of the Company by providing the employees and consultants of the Company or any Subsidiary corporation, who are largely responsible for the management, growth and protection of the business of the Company, with a proprietary interest in the Company, thereby strengthening their concern for the welfare of the Company and their desire to remain in its employ. A further purpose of the Plan is to provide such persons with additional incentive and reward opportunities to enhance the profitable growth of the Company.

The Plan was originally adopted by the Board of Directors and approved by the stockholders effective September 30, 1996, and is hereby amended and restated effective July 1, 1997.

2. DEFINITIONS

As used in the Plan, the following definitions apply to the terms indicated below:

(a) "BOARD OF DIRECTORS" or "BOARD" shall mean the Board of Directors of Allstar Systems, Inc.

(b) "CAUSE," when used in connection with the termination of a Participant's Employment, shall mean the termination of the Participant's Employment by the Company by reason of (i) the conviction of the Participant by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude; (ii) the proven commission by the Participant of an act of fraud upon the Company; (iii) the willful and proven misappropriation of any funds or property of the Company by the Participant; (iv) the willful, continued and unreasonable failure by the Participant to perform material duties assigned to him; (v) the knowing engagement by the Participant in any direct, material conflict of interest with the Company without compliance with the Company's conflict of interest policy, if any, then in effect; (vi) the knowing engagement by the Participant, without the written approval of the Board, in any activity which competes with the business of the Company or which would result in a material injury to the business, reputation or goodwill of the Company; or (vii) the knowing engagement in any activity which would constitute a material violation of the provisions of the Company's Policies and Procedures Manual, if any, then in effect.

(c) "CASH BONUS" shall mean an award of a bonus payable in cash pursuant to Section 11 hereof.

(d) "CHANGE IN CONTROL" shall mean:

(i) a "change in control" of the Company, as that term is contemplated in the federal securities laws; or

(ii) the occurrence of any of the following events:

(1) any Person becomes, after the effective date of this Plan, the "beneficial owner" (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities; provided, that the Board of Directors (as constituted immediately prior to such person becoming such a beneficial owner) may determine, in its sole discretion, that a Change in Control has not occurred; and provided further, that the acquisition of additional voting securities, after the effective date of this Plan, by any Person who is, as of the effective date of this Plan, the beneficial owner, directly or indirectly, of 30% or more of the combined voting power of the Company's then outstanding securities, shall not constitute a "Change in Control" of the Company for purposes of this Section 2(d).

(2) a majority of individuals who are nominated by the Board of Directors for election to the Board of Directors on any date, fail to be elected to the Board of Directors as a direct or indirect result of any proxy fight or contested election for positions on the Board of Directors; or

(3) the Board of Directors determines in its sole and absolute discretion that there has been a change in control of the Company.

(e) "CODE" shall mean the Internal Revenue Code of 1986, as amended from time to time. Reference in the Plan to any Section of the Code shall be deemed to include any amendments or successor provisions to any Section and any treasury regulations thereunder.

(f) "COMMITTEE" shall mean a committee appointed by the Board consisting of not less than two directors serving on the Board who fulfill the "non-employee director" requirements of Rule 16b-3 under the Exchange Act and the "outside director" requirements of Section 162(m) of the Code. Without limitation, the Committee may be the Compensation Committee of the Board or such other committee, provided that the requirements of the previous sentence are satisfied. The Board shall have the power to fill vacancies on the Committee arising by resignation, death, removal or otherwise. The Board, in its sole discretion, may bifurcate the powers and duties of the Committee among one or more separate committees, or retain all powers and duties of the Committee in a single Committee. The members of the Committee shall serve at the discretion of the Board.

(g) "COMMON STOCK" shall mean the Company's common stock, par value \$.01 per share.

(h) "COMPANY" shall mean Allstar Systems, Inc., a Delaware corporation, and each of its Subsidiaries, and its successors.

(i) "CONSULTANT" shall mean any person who is engaged by the Company or any Subsidiary to render consulting services and is compensated for such services.

(j) "COVERED EMPLOYEE" shall mean a named executive officer who is one of the group of covered employees as defined in Section 162(m) of the Code and Treasury Regulation ss. 1.162-27(c) (or its successor).

(k) "DISABILITY" shall mean a permanent and total disability, as defined in Section 22(e)(3) of the Code, of the Participant as determined by the Committee in its discretion exercised in good faith.

(l) "EMPLOYEE" shall mean any person who is an employee of the Company (or any Parent or Subsidiary) within the meaning of Section 3401(c) of the Code and the applicable interpretive authority thereunder.

(m) "EMPLOYMENT" shall mean employment as an officer or common law employee by the Company or any Parent or Subsidiary, or by any corporation issuing or assuming an Incentive Award in any transaction described in Section 424(a) of the Code, or by a parent corporation or a subsidiary corporation of such corporation issuing or assuming such Incentive Award, as the parent-subsidiary relationship shall be determined at the time of the corporate action described in Section 424(a) of the Code. In this regard, neither the transfer of a Participant from Employment by the Company to Employment by any Parent or Subsidiary, nor the transfer of a Participant from Employment by any Parent or Subsidiary to Employment by the Company, shall be deemed to be a termination of Employment of the Participant. The term "Employment" for purposes of the Plan will also include compensatory services performed by a Consultant for the Company or any Parent or Subsidiary.

(n) "EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(o) "FAIR MARKET VALUE" of a share of Common Stock on any date shall be (i) the closing sales price on the immediately preceding business day of a share of Common Stock as reported on the principal securities exchange on which shares of Common Stock are then listed or admitted to trading or (ii) if not so reported, the average of the closing bid and asked prices for a share of Common Stock on the immediately preceding business day as quoted on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") or (iii) if not quoted on NASDAQ, the average of the closing bid and asked prices for a share of Common Stock as quoted by the National Quotation Bureau's "Pink Sheets" or the National Association of

Securities Dealers' OTC Bulletin Board System. If the price of a share of Common Stock shall not be so reported, the Fair Market Value of a share of Common Stock shall be determined by the Committee in its absolute discretion.

(p) "INCENTIVE AGREEMENT" shall mean a written agreement entered into between the Company and the Participant setting forth the terms and conditions pursuant to which an Incentive Award is granted under the Plan.

(q) "INCENTIVE AWARD" shall mean an Option, a share of Restricted Stock, a Performance Award, a share of Phantom Stock, a Stock Bonus or Cash Bonus granted pursuant to the terms of the Plan.

(r) "INCENTIVE STOCK OPTION" shall mean an Option which is an "incentive stock option" within the meaning of Section 422 of the Code and which is identified as an Incentive Stock Option in the Incentive Agreement by which it is evidenced.

(s) "ISSUE DATE" shall mean the date established by the Committee on which certificates representing shares of Restricted Stock shall be issued by the Company pursuant to the terms of Section 7(d) hereof.

(t) "NON-QUALIFIED STOCK OPTION" shall mean an Option which is not an Incentive Stock Option and which is identified as a Non-Qualified Stock Option in the Incentive Agreement by which it is evidenced.

(u) "OPTION" shall mean an option to purchase shares of Common Stock of the Company granted pursuant to Section 6 hereof. Each Option shall be identified as either an Incentive Stock Option or a Non-Qualified Stock Option in the Incentive Agreement by which it is evidenced.

(v) "PARENT" shall mean a "parent corporation" of the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) "PARTICIPANT" shall mean an Employee or Consultant who is eligible to participate in the Plan and to whom an Incentive Award is granted under the Plan, and, upon his death, his successors, heirs, executors and administrators, as the case may be, to the extent permitted hereby.

(x) "PERFORMANCE AWARD" shall mean an award payable in cash or Common Stock, which award is granted pursuant to Section 8 hereof and subject to the terms and conditions contained herein.

(y) "PERFORMANCE-BASED EXCEPTION" shall mean the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code, as prescribed in Code Section 162(m) and Treasury Regulation Section 1.162-27(e) (or its successor).

(z) "PERSON" shall mean a "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act, and the rules and regulations in effect from time to time thereunder.

(aa) a share of "PHANTOM STOCK" shall represent the right to receive in cash the Fair Market Value of a share of Common Stock of the Company, which right is granted pursuant to Section 9 hereof and subject to the terms and conditions contained herein.

(bb) "PLAN" shall mean the Allstar Systems, Inc. 1996 Incentive Stock Plan, as amended and restated effective as of July 1, 1997, and as it may be further amended from time to time.

(cc) a share of "RESTRICTED STOCK" shall mean a share of Common Stock which is granted pursuant to the terms of Section 7 hereof and which is subject to the restrictions set forth in Section 7(c) hereof for so long as such restrictions continue to apply to such share.

(dd) "SECURITIES ACT" shall mean the Securities Act of 1933, as amended from time to time.

(ee) "STOCK BONUS" shall mean a grant of a bonus payable in shares of Common Stock pursuant to Section 10 hereof.

(ff) "SUBSIDIARY" shall mean any corporation in which at the pertinent time the Company owns, directly or indirectly, stock vested with more than 50% of the total combined voting power of all classes of stock of such corporations within the meaning of Section 424(f) of the Code.

(gg) "VESTING DATE" shall mean the date established by the Committee on which a share of Restricted Stock or Phantom Stock may vest.

3. STOCK SUBJECT TO THE PLAN

Under the Plan, the Committee may grant as Incentive Awards to Participants: (a) Options; (b) shares of Restricted Stock; (c) Performance Awards; (d) shares of Phantom Stock; (e) Stock Bonuses; and (f) Cash Bonuses.

The Committee may grant Options, shares of Restricted Stock, Performance Awards, shares of Phantom Stock and Stock Bonuses under the Plan with respect to a number of shares of Common Stock that in the aggregate at any time does not exceed 417,500 shares of Common Stock, subject to adjustment pursuant to Section 12 hereof. The grant of a Cash Bonus shall not reduce the number of shares of Common Stock with respect to which Options, shares of Restricted Stock, Performance Awards, shares of Phantom Stock or Stock Bonuses may be granted pursuant to the Plan.

Unless the Committee designates that an Incentive Award is not intended to comply with the Performance-Based Exception, the maximum number of shares of Common Stock that may

be subject to Incentive Awards granted to any one Covered Employee during any calendar year shall be 100,000 shares of Common Stock, subject to adjustment under Section 12 hereof. The limitation set forth in the preceding sentence shall be applied in a manner which will permit compensation generated in connection with the exercise of Options and the payment of Performance Awards (or other Incentive Awards if applicable) to constitute "qualified performance-based compensation" for purposes of Section 162(m) of the Code, including, without limitation, counting against such maximum number of shares, to the extent required under Section 162(m) of the Code, any shares subject to Options that are canceled or repriced.

If any outstanding Option expires, terminates or is canceled or forfeited for any reason, the shares of Common Stock subject to the unexercised portion of such Option shall again be available for grant under the Plan. If any shares of Restricted Stock or Phantom Stock, or any shares of Common Stock granted as a Performance Award or a Stock Bonus are forfeited, terminated or canceled for any reason, such shares shall again be available for grant under the Plan. A payout of Phantom Stock or a Performance Award in cash shall restore, on a one share for one share basis, the number of shares of Common Stock reserved for issuance hereunder.

The Common Stock available for issuance or transfer under the Plan shall be made available from shares now or hereafter (i) held in the treasury of the Company, (ii) authorized but unissued shares, or (iii) shares to be purchased or acquired by the Company. No fractional shares shall be issued under the Plan; payment for fractional shares shall be made in cash.

4. ADMINISTRATION OF THE PLAN

(a) Authority of the Committee. Except as may be limited by law and subject to the provisions herein, the Committee shall have full power to (i) select Employees and Consultants to participate in the Plan; (ii) determine the sizes, duration and types of Incentive Awards; (iii) determine the terms and conditions of Incentive Awards and Incentive Agreements; (iv) determine whether any shares subject to Incentive Awards will be subject to any restrictions on transfer; (v) construe and interpret the Plan and any Incentive Agreement or other agreement entered into under the Plan; and (vi) establish, amend, or waive rules for the Plan's administration. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan.

(b) Meetings. The Committee shall designate a chairman from among its members who shall preside at its meetings, and shall designate a secretary, without regard to whether that person is a member of the Committee, who shall keep the minutes of the proceedings and the records, documents, and data pertaining to its administration of the Plan. Meetings shall be held at such times and places as shall be determined by the Committee, and the Committee may hold telephonic meetings. The Committee may take any action otherwise proper under the Plan by the affirmative vote, taken with or without a meeting, of a majority of its members. The Committee may authorize any one or more of their members or any officer of the Company to execute and deliver documents on behalf of the Committee.

(c) Decisions Binding. All determinations and decisions made by the Committee

shall be made in its discretion pursuant to the provisions of the Plan, and shall be final, conclusive and binding on all persons including the Company, its shareholders, employees, Participants, and their estates and beneficiaries. The Committee's determinations under the Plan and with respect to any individual Incentive Award need not be uniform and may be made selectively among Incentive Awards and Participants, whether or not such Incentive Awards are similar or such Participants are similarly situated.

(d) Expenses of Committee. The Committee may employ legal counsel, including, without limitation, independent legal counsel and counsel regularly employed by the Company, consultants and agents as the Committee may deem appropriate for the administration of the Plan. The Committee may rely upon any opinion or computation received from any such counsel, consultant or agent. All expenses incurred by the Committee in interpreting and administering the Plan, including, without limitation, meeting expenses and professional fees, shall be paid by the Company.

(e) Modification of Outstanding Incentive Awards. The Committee may, in its absolute discretion, (i) accelerate the date on which any Option granted under the Plan becomes exercisable, (ii) extend the date on which any Option ceases to be exercisable, (iii) accelerate the Vesting Date or Issue Date, or waive any condition imposed pursuant to Section 7(b) hereof, with respect to any share of Restricted Stock, and (iv) accelerate the Vesting Date or waive any condition imposed pursuant to Section 9 hereof with respect to any share of Phantom Stock.

(f) Surrender of Previous Incentive Awards. The Committee may, in its absolute discretion, grant Incentive Awards to Participants on the condition that such Participants surrender to the Committee for cancellation such other Incentive Awards (including, without limitation, Incentive Awards with higher exercise prices) as the Committee directs. Notwithstanding Section 3 hereof, Incentive Awards granted on the condition precedent of surrender of outstanding Incentive Awards shall not count against the limits set forth in Section 3 until such time as such Incentive Awards are surrendered.

(g) Leaves of Absence. Except as provided in Section 6(e)(4) hereof, whether an authorized leave of absence, or absence in military or government service, shall constitute termination of Employment shall be determined by the Committee in its discretion exercised in accordance with any applicable law.

(h) Indemnification. Each person who is or was a member of the Committee shall be indemnified by the Company against and from any damage, loss, liability, cost and expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan, except for any such act or omission constituting willful misconduct or gross negligence. Such person shall be indemnified by the Company for all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of any judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of

indemnification to which such persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

5. ELIGIBILITY

The persons who shall be eligible to receive Incentive Awards pursuant to the Plan shall be (a) those Employees who are largely responsible for the management, growth and protection of the business of the Company or any Subsidiary (including officers of the Company, whether or not they are directors of the Company) and (b) any Consultant, as the Committee, in its absolute discretion, shall select from time to time; provided, however, Incentive Stock Options may only be granted to Employees.

6. OPTIONS

The Committee may grant Options pursuant to the Plan, which Options shall be evidenced by Incentive Agreements in such form as the Committee shall from time to time approve. Options shall also be subject to the following terms and conditions:

(a) Identification of Options

All Options granted under the Plan shall be clearly identified in the Incentive Agreement evidencing such Options as either Incentive Stock Options or as Non-Qualified Stock Options.

(b) Exercise Price

The exercise price per share of Common Stock under each Option shall be determined by the Committee; provided, however, that in the case of an Incentive Stock Option, such exercise price shall not be less than 100% of the Fair Market Value per share on the date the Incentive Stock Option is granted. To the extent that a Non-Qualified Stock Option is intended to qualify for the Performance-Based Exception, the exercise price shall not be less than 100% of the Fair Market Value per share on the date the Option is granted. The Option exercise price shall be subject to (i) the restrictions prescribed in Section 6(d) hereof and (ii) the adjustments provided in Section 12 hereof.

(c) Term and Exercise of Options

(1) Each Option shall be exercisable on such date or dates, during such period and for such number of shares of Common Stock as shall be determined by the Committee on the day on which such Option is granted and set forth in the Incentive Agreement evidencing the Option; provided, however, that (A) subject to the restrictions provided in Section 6(d) hereof, no Option shall be exercisable after the expiration of ten years from the date such Option was granted and (B) no Option shall be exercisable until six months after the date of grant; and, provided, further, that each Option shall be

subject to earlier termination, expiration or cancellation as provided in the Plan or the Incentive Agreement.

(2) Each Option shall be exercisable in whole or in part with respect to whole shares of Common Stock. The partial exercise of an Option shall not cause the expiration, termination or cancellation of the remaining portion thereof. Upon the partial exercise of an Option, the Incentive Agreement evidencing such Option shall be returned to the Participant exercising such Option together with the delivery of the certificates described in Section 6(c)(5) hereof.

(3) An Option shall be exercised by delivering notice to the Company's principal office, to the attention of its Secretary, no fewer than five business days in advance of the effective date of the proposed exercise. Such notice shall be accompanied by the Incentive Agreement evidencing the Option, shall specify the number of shares of Common Stock with respect to which the Option is being exercised and the effective date of the proposed exercise, and shall be signed by the Participant. The Participant may withdraw such notice at any time prior to the close of business on the business day immediately preceding the effective date of the proposed exercise, in which case such Incentive Agreement shall be returned to the Participant. Payment for shares of Common Stock purchased upon the exercise of an Option shall be made on the effective date of such exercise either (i) in cash, by certified check, bank cashier's check or wire transfer, (ii) subject to the approval of the Committee, in shares of Common Stock owned by the Participant and held for at least six months, as valued at their Fair Market Value on the effective date of such exercise, (iii) subject to the approval of the Committee, in the form of a "cashless exercise" (as described below) or (iv) subject to the approval of the Committee, in any combination of the foregoing. Any payment in shares of Common Stock shall be effected by the delivery of such shares to the Secretary of the Company, duly endorsed in blank or accompanied by stock powers duly executed in blank, together with any other documents as the Secretary of the Company shall require from time to time.

The cashless exercise of an Option shall be pursuant to procedures whereby the Participant by written notice, directs (i) an immediate market sale or margin loan respecting all or a part of the shares of Common Stock to which he is entitled upon exercise pursuant to an extension of credit by the Company to the Participant in the amount of the exercise price, (ii) the delivery of the shares of Common Stock directly from the Company to a brokerage firm, and (iii) delivery of the exercise price from the sale or the margin loan proceeds from the brokerage firm directly to the Company.

(4) Any Option granted under the Plan may be exercised by a broker-dealer acting on behalf of a Participant if (i) the broker-dealer has received from the Participant or the Company a duly endorsed Incentive Agreement evidencing such Option and instructions signed by the Participant requesting the Company to deliver the shares of Common Stock subject to such Option to the broker-dealer on behalf of the Participant and specifying the account into which such shares should be deposited, (ii) adequate

provision has been made with respect to the payment of any withholding taxes due upon such exercise, and (iii) the broker-dealer and the Participant have otherwise complied with Section 220.3(e)(4) of Regulation T, 12 CFR Part 220.

(5) Certificates for shares of Common Stock purchased upon the exercise of an Option shall be issued in the name of the Participant and delivered to the Participant as soon as practicable following the effective date on which the Option is exercised; provided, however, that such delivery shall be effected for all purposes when a stock transfer agent of the Company shall have deposited such certificates in the United States mail, addressed to the Participant.

(6) During the lifetime of a Participant each Option granted to him shall be exercisable only by him, a broker-dealer acting on behalf of such Participant pursuant to Section 6(c)(4) hereof, or by his legal guardian in the event of his Disability. No Option shall be assignable or transferable otherwise than by will or by the laws of descent and distribution.

(d) Limitations on Grant of Incentive Stock Options

(1) The aggregate Fair Market Value of shares of Common Stock with respect to which "incentive stock options" (within the meaning of Section 422 without regard to Section 422(d) of the Code) are exercisable for the first time by a Participant during any calendar year under the Plan (and any other stock option plan of the Company, or of its Parent or any Subsidiary) shall not exceed \$100,000. Such Fair Market Value shall be determined as of the date on which each such Incentive Stock Option is granted. If such aggregate Fair Market Value of shares of Common Stock underlying such Incentive Stock Options exceeds \$100,000, then Incentive Stock Options granted hereunder to such Participant shall, to the extent and in the order required by regulations promulgated under the Code (or any other authority having the force of such regulations), automatically be deemed to be Non-Qualified Stock Options, but all other terms and provisions of such Incentive Stock Options shall remain unchanged. In the absence of such regulations promulgated under the Code (and authority), or if such regulations (or authority) require or permit a designation of the options which shall cease to constitute Incentive Stock Options, Incentive Stock Options shall, to the extent of such excess and in the order in which they were granted, automatically be deemed to be Non-Qualified Stock Options, but all other terms and provisions of such Incentive Stock Options shall remain unchanged.

(2) No Incentive Stock Option may be granted to an individual if, at the time of the proposed grant, such individual owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of its Parent or any Subsidiary, unless (i) the exercise price of such Incentive Stock Option is at least 110% of the Fair Market Value of a share of Common Stock at the time such Incentive Stock Option is granted and (ii) such Incentive Stock Option is not exercisable after the expiration of five years from the date such Incentive Stock Option is granted.

(e) Effect of Termination of Employment

(1) Unless otherwise expressly provided in the Incentive Agreement, if the Employment of a Participant with the Company shall terminate for any reason other than Cause, Disability or the death of the Participant (i) Options granted to such Participant, to the extent that they were exercisable at the time of such termination, shall remain exercisable until the expiration of one month after such termination, on which date they shall expire, and (ii) Options granted to such Participant, to the extent that they were not exercisable at the time of such termination, shall expire at the close of business on the date of such termination; provided, however, that no Option shall be exercisable after the expiration of its term.

(2) Unless otherwise expressly provided in the Incentive Agreement, if the Employment of a Participant with the Company shall terminate as a result of the Disability or the death of the Participant, then (i) Options granted to such Participant, to the extent that they were exercisable at the time of such termination, shall remain exercisable until the expiration of one year after such termination, on which date they shall expire, and (ii) Options granted to such Participant, to the extent that they were not exercisable at the time of such termination, shall expire at the close of business on the date of such termination; provided, however, that no Option shall be exercisable after the expiration of its term.

(3) Unless otherwise expressly provided in the Incentive Agreement, in the event of the termination of a Participant's Employment for Cause, all outstanding Options granted to such Participant shall expire, and shall not be exercisable, as of the commencement of business on the date of such termination.

(4) Unless otherwise expressly provided in the Incentive Agreement, a Participant's Employment with the Company shall be deemed terminated if the Participant's leave of absence (including military or such leave or other bona fide leave of absence) extends for more than 90 days and the Participant's continued Employment with the Company is not guaranteed by contract or statute.

(f) Acceleration of Exercise Date Upon Change in Control

Upon the occurrence of a Change in Control, each Option granted under the Plan and outstanding at such time shall become fully and immediately exercisable and shall remain exercisable until its expiration, termination or cancellation pursuant to the terms of the Plan.

7. RESTRICTED STOCK

The Committee may grant shares of Restricted Stock pursuant to the Plan. Each grant of shares of Restricted Stock shall be evidenced by an Incentive Agreement containing such terms and conditions as prescribed by the Committee. Each grant of shares of Restricted Stock shall

also be subject to the following terms and conditions:

(a) Issue Date and Vesting Date

At the time of the grant of shares of Restricted Stock, the Committee shall establish an Issue Date or Issue Dates and a Vesting Date or Vesting Dates with respect to such shares. The Committee may divide such shares into classes and assign a different Issue Date and/or Vesting Date for each class. Except as provided in Sections 7(c) and 7(f) hereof, upon the occurrence of the Issue Date with respect to a share of Restricted Stock, a share of Restricted Stock shall be issued in accordance with the provisions of Section 7(d) hereof. Provided that all conditions to the vesting of a share of Restricted Stock imposed pursuant to Section 7(b) hereof are satisfied, and except as provided in Sections 7(c) and 7(f) hereof, upon the occurrence of the Vesting Date with respect to a share of Restricted Stock, such share shall vest and the restrictions of Section 7(c) hereof shall cease to apply to such share.

(b) Conditions to Vesting

At the time of the grant of shares of Restricted Stock, the Committee may impose such restrictions or conditions, not inconsistent with the provisions hereof, to the vesting of such shares as it, in its absolute discretion, deems appropriate. By way of example and not by way of limitation, the Committee may require, as a condition to the vesting of any class or classes of shares of Restricted Stock, that (i) the Participant or the Company achieve certain performance criteria, such criteria to be specified by the Committee at the time of the grant of such shares and (ii) prohibiting an election by the Participant under Section 83(b) of the Code.

(c) Restrictions on Transfer Prior to Vesting

Prior to the vesting of a share of Restricted Stock, no transfer of a Participant's rights with respect to such share, whether voluntary or involuntary, by operation of law or otherwise, shall vest the transferee with any interest or right in or with respect to such share, but immediately upon any attempt to transfer such rights, such share, and all of the rights related thereto, shall be forfeited by the Participant and the transfer shall be of no force or effect.

(d) Issuance of Certificates

(1) Except as provided in Sections 7(c) or 7(f) hereof, reasonably promptly after the Issue Date with respect to shares of Restricted Stock, the Company shall cause to be issued a stock certificate, registered in the name of the Participant to whom such shares were granted, evidencing such shares; provided, that the Company shall not cause to be issued such a stock certificates unless it has received a stock power duly endorsed in blank with respect to such shares. Each such stock certificate shall bear the following legend:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF
STOCK REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS,
TERMS AND

CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE ALLSTAR SYSTEMS, INC. 1996 INCENTIVE STOCK PLAN AND AN AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER OF SUCH SHARES AND ALLSTAR SYSTEMS, INC. A COPY OF THE PLAN AND AGREEMENT IS ON FILE IN THE OFFICE OF THE SECRETARY OF ALLSTAR SYSTEMS, INC., 6401 SOUTHWEST FREEWAY, HOUSTON, TEXAS 77074.

Such legend shall not be removed from the certificate evidencing such shares until such shares vest pursuant to the terms hereof.

(2) Each certificate issued pursuant to Section 7(d)(1) hereof, together with the stock powers relating to the shares of Restricted Stock evidenced by such certificate, shall be held by the Company. The Company shall issue to the Participant a receipt evidencing the certificates held by it which are registered in the name of the Participant.

(e) Consequences Upon Vesting

Upon the vesting of a share of Restricted Stock pursuant to the terms hereof and the Incentive Agreement, the restrictions of Section 7(c) shall cease to apply to such share. Reasonably promptly after a share of Restricted Stock vests, the Company shall cause to be issued and delivered to the Participant to whom such shares were granted, a certificate evidencing such share, free of the legend set forth in Section 7(d)(1) hereof, together with any other property of the Participant held by Company pursuant to Section 12(a) hereof; provided, however, that such delivery shall be effected for all purposes when the Company shall have deposited such certificate and other property in the United States mail, addressed to the Participant.

(f) Effect of Termination of Employment

(1) If the Employment of a Participant with the Company shall terminate for any reason other than Cause prior to the vesting of shares of Restricted Stock granted to such Participant, a portion of such shares, to the extent not forfeited or canceled on or prior to such termination pursuant to any provision hereof, may vest on the date of such termination. The portion referred to in the preceding sentence shall be determined by the Committee and may be based on the achievement of any conditions imposed by the Committee with respect to such shares pursuant to Section 7(b) hereof. Such portion may equal zero and shall be deemed zero unless otherwise specified by the Committee or in the Participant's Incentive Agreement.

(2) In the event of the termination of a Participant's Employment for Cause, all shares of Restricted Stock granted to such Participant which have not vested as of the commencement of business on the date of such termination shall immediately be forfeited.

(g) Effect of Change in Control

Upon the occurrence of a Change in Control, (i) all shares of Restricted Stock which have been issued but are not vested shall immediately be 100% vested and (ii) all shares of Restricted Stock with respect to which the Issue Date had not previously occurred shall immediately be issued and 100% vested.

8. PERFORMANCE AWARDS

The Committee may grant Performance Awards pursuant to the Plan. Each grant of Performance Awards shall be evidenced by an Incentive Agreement containing such terms and conditions as prescribed by the Committee. Each grant of Performance Awards shall also be subject to the following terms and conditions:

(a) Performance Period and Performance Award

(1) With respect to each grant of a Performance Award, the Committee shall establish a performance period over which the performance of the applicable Participant shall be measured.

(2) In determining the amount of the Performance Award to be granted to a particular Participant, the Committee may take into account such factors as the Participant's responsibility level and growth potential, the amount of other Incentive Awards granted to such Participant, and such other considerations as the Committee deems appropriate in its discretion. Each Performance Award shall be subject to a maximum value as established by the Committee at the time of grant of such award; provided, however, the maximum value that can be granted or vest as a Performance Award to any one Covered Employee during any calendar year is \$1,000,000 as determined consistent with the Performance-Based Exception.

(b) Performance Measures

A Performance Award shall be awarded to a Participant contingent upon future performance of the Company (or any Subsidiary, division or department thereof) by or in which the Participant is employed or responsible during the performance period. The Committee shall establish, in writing, the performance measures applicable to such performance within 90 days after the commencement of the performance period, to which such measures relate, and at a time when the outcome of such performance measures are substantially uncertain within the meaning of the Performance-Based Exception, subject to such later revisions as the Committee may deem appropriate to reflect significant unforeseen events or changes.

(c) Payment

Upon the expiration of the performance period relating to a Performance Award granted to a Participant, such Participant shall be entitled to receive payment of an amount not exceeding the maximum value of the Performance Award, based on the achievement of the performance measures for such performance period, as determined by the Committee. The Committee shall

certify in writing prior to the payment of a Performance Award that the applicable performance measures and any other material terms of the grant have been satisfied. Subject to Section 3 hereof, payment of a Performance Award may be made in cash, Common Stock or a combination thereof, as determined by the Committee. Payment shall be made in a lump sum or in installments as prescribed by the Committee. Any payment to be made in Common Stock shall be based on the Fair Market Value of the Common Stock on the payment date.

(d) Effect of Termination of Employment

If the Employment of a Participant shall terminate for any reason prior to the expiration of the applicable performance period, the Performance Awards relating to such performance period shall immediately be forfeited as of the commencement of business on the date of such termination, except as may be determined by the Committee in its sole and absolute discretion, or as may be otherwise provided in the Incentive Agreement evidencing such Performance Award.

(e) Effect of Change in Control

Upon the occurrence of a Change in Control, the Committee (as constituted immediately prior to such Change in Control) shall determine, in its sole discretion, whether each Performance Award, which have not theretofore satisfied the requisite performance measure or for which the performance period has not expired, shall immediately be paid or whether such Performance Award shall remain outstanding according to its respective terms.

9. PHANTOM STOCK

The Committee may grant shares of Phantom Stock pursuant to the Plan. Each grant of shares of Phantom Stock shall be evidenced by an Incentive Agreement containing such terms and conditions as prescribed by the Committee. Each grant of shares of Phantom Stock shall also be subject to the following terms and conditions:

(a) Vesting Date

At the time of the grant of shares of Phantom Stock, the Committee shall establish a Vesting Date or Vesting Dates with respect to such shares. The Committee may divide such shares into classes and assign a different Vesting Date for each class. Provided that all conditions to the vesting of a share of Phantom Stock imposed pursuant to Section 9(c) hereof are satisfied, and except as provided in Section 9(d) hereof, upon the occurrence of the Vesting Date with respect to a share of Phantom Stock, such share shall vest.

(b) Benefit Upon Vesting

Upon the vesting of a share of Phantom Stock, a Participant shall be entitled to receive in cash, within 90 days of the date on which such share vests, an amount in cash in a lump sum equal to the sum of (i) the Fair Market Value of a share of Common Stock on the date on which such share of Phantom Stock vests and (ii) the aggregate amount of cash dividends paid with

respect to a share of Common Stock during the period commencing on the date on which the share of Phantom Stock was granted and terminating on the date on which such share vests.

(c) Conditions to Vesting

At the time of the grant of shares of Phantom Stock, the Committee may impose, in the Participant's Incentive Agreement, such restrictions or conditions, not inconsistent with the provisions of the Plan, to the vesting of such shares as the Committee, in its absolute discretion, deems appropriate. By way of example and not by way of limitation, the Committee may require, as a condition to the vesting of any class or classes of shares of Phantom Stock, that the Participant or the Company achieve certain performance criteria, such criteria to be specified by the Committee at the time of the grant of such shares.

(d) Effect of Termination of Employment

(1) If the Employment of a Participant with the Company shall terminate for any reason other than Cause prior to the vesting of shares of Phantom Stock granted to such Participant, a portion of such shares, to the extent not forfeited or canceled on or prior to such termination pursuant to any provision hereof, may vest on the date of such termination. The portion referred to in the preceding sentence shall be determined by the Committee and may be based on the achievement of any conditions imposed by the Committee with respect to such shares pursuant to Section 9(c) hereof. Such portion may equal zero and shall be deemed zero unless otherwise specified by the Committee or in the Participant's Incentive Agreement.

(2) In the event of the termination of a Participant's Employment for Cause, all shares of Phantom Stock granted to such Participant which have not vested as of the date of such termination shall immediately be forfeited.

(e) Effect of Change in Control

Upon the occurrence of a Change in Control, all shares of Phantom Stock which have not theretofore vested shall immediately be 100% vested.

10. STOCK BONUSES

The Committee may, in its absolute discretion, grant Stock Bonuses in such amounts as it shall determine from time to time. A Stock Bonus shall be paid at such time and subject to such conditions as the Committee shall determine at the time of the grant of such Stock Bonus, all as set forth in the Participant's Incentive Agreement. Certificates for shares of Common Stock granted as a Stock Bonus shall be issued in the name of the Participant to whom such grant was made and delivered to such Participant as soon as practicable after the date on which such Stock Bonus is required to be paid.

11. CASH BONUSES

The Committee may, in its absolute discretion, grant to a Participant, in connection with any grant of Restricted Stock or shares of Common Stock granted as a Performance Award or Stock Bonus or at any time thereafter, a cash bonus, payable promptly after the date on which the Participant is required to recognize income for federal income tax purposes in connection with such Restricted Stock, Performance Award or Stock Bonus, in such amount as the Committee shall determine; provided, however, that in no event shall the amount of a Cash Bonus exceed the Fair Market Value of the related shares of Restricted Stock or shares of Common Stock granted pursuant to a Performance Award or Stock Bonus on such date. A Cash Bonus shall be subject to such terms and conditions as the Committee shall determine at the time of its grant.

12. ADJUSTMENT UPON CHANGES IN COMMON STOCK

(a) Outstanding Restricted Stock, Performance Awards, and Phantom Stock

Unless the Committee in its absolute discretion otherwise determines, if a Participant receives any securities or other property (including dividends paid in cash) as a result of any dividend, stock split recapitalization, merger, consolidation, combination, exchange of shares or otherwise, with respect to a share of Restricted Stock for which the Issue Date occurs prior to such event but that has not vested as of the date of such event, such securities or other property will not vest until such share of Restricted Stock vests and shall be held by the Company pursuant to Section 7(d)(2) hereof as if such securities or other property were unvested shares of Restricted Stock.

The Committee may, in its absolute discretion, adjust any grant of shares of Restricted Stock for which the Issue Date has not occurred as of the date of the occurrence of any of the following events, and any shares of Common Stock upon the grant of a Performance Award or any grant of shares of Phantom Stock, to reflect any dividend, stock split, recapitalization, merger, consolidation, combination, exchange of shares or similar corporate change as the Committee may deem appropriate to prevent the enlargement or dilution of rights of Participants under the grant.

(b) Stock Subject to Plan, Outstanding Options, Increase or Decrease in Issued Shares Without Consideration

Subject to any required action by the stockholders of the Company, in the event of any increase or decrease in the number of issued shares of Common Stock resulting from a subdivision or consolidation of shares of Common Stock or the payment of a stock dividend (but only on the shares of Common Stock), or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company, the Committee shall proportionally adjust (i) the number of shares of Common Stock for which Incentive Awards may be granted under the Plan and (ii) the number of shares and the exercise price per share of Common Stock subject to each outstanding Option.

(c) Outstanding Options, Certain Mergers

Subject to any required action by the stockholders of the Company, if the Company shall be the surviving corporation in any merger or consolidation (except a merger or consolidation as a result of which the holders of shares of Common Stock receive securities of another corporation), each Option outstanding on the date of such merger or consolidation shall entitle the Participant to acquire upon exercise the securities which a holder of the number of shares of Common Stock subject to such Option would have received in such merger or consolidation.

(d) Outstanding Options, Certain Other Transactions

In the event of a dissolution or liquidation of the Company, a sale of all or substantially all of the Company's assets, a merger or consolidation involving the Company in which the Company is not the surviving corporation or a merger or consolidation involving the Company in which the Company is the surviving corporation but the holders of shares of Common Stock receive securities of another corporation and/or other property, including cash, the Committee shall, in its absolute discretion, have the power to:

(1) cancel, effective immediately prior to the occurrence of such event, each Option outstanding immediately prior to such event (whether or not then exercisable), and, in full consideration of such cancellation, pay to the Participant to whom such Option was granted an amount in cash, for each share of Common Stock subject to such Option equal to the excess of (A) the value, as determined by the Committee in its absolute discretion, of the property (including cash) received by the holder of a share of Common Stock as a result of such event over (B) the exercise price of such Option; or

(2) provide for the exchange of each Option outstanding immediately prior to such event (whether or not then exercisable) for an option on some or all of the property and, incident thereto, make an equitable adjustment as determined by the Committee in its absolute discretion in the exercise price of the option, or the number of shares or amount of property subject to the option or, if appropriate, provide for a cash payment to the Participant to whom such Option was granted in partial consideration for the exchange of the Option.

(e) Outstanding Options, Other Changes

In the event of any change in the capitalization of the Company or corporate change other than those specifically referred to in Sections 12(b), (c) or (d) hereof, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Options outstanding on the date on which such change occurs and in the per share exercise price of each such Option as the Committee may consider appropriate to prevent dilution or enlargement of rights.

(f) No Other Rights

Except as expressly provided in the Plan, no Participant shall have any rights by reason of

any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger or consolidation of the Company or any other corporation. Except as expressly provided in the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an Incentive Award or the exercise price of any Option.

13. RIGHTS AS A STOCKHOLDER

No person shall have any rights as a stockholder with respect to any shares of Common Stock covered by or relating to any Incentive Award granted pursuant to this Plan until the date of the issuance of a stock certificate with respect to such shares. Except as otherwise expressly provided in Section 12 hereof, no adjustment to any Incentive Award shall be made for dividends or other rights for which the record date occurs prior to the date such stock certificate is issued.

14. NO SPECIAL EMPLOYMENT RIGHTS; NO RIGHT TO INCENTIVE AWARD

Nothing contained in the Plan or any Incentive Award shall confer upon any Participant any right with respect to the continuation of his Employment or interfere in any way with the right of the Company, subject to the terms of any separate employment agreement to the contrary, to terminate at any time such Employment or to increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Incentive Award.

No person shall have any claim or right to receive an Incentive Award hereunder. The Committee's granting of an Incentive Award to a Participant at any time shall neither require the Committee to grant an Incentive Award to such Participant or any other Participant or other person at any time nor preclude the Committee from making subsequent grants to such Participant or any other Participant or other person.

15. SECURITIES MATTERS

(a) The Company shall be under no obligation to effect the registration pursuant to the Securities Act of any shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing shares of Common Stock pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such covenants, agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or desirable.

(b) The exercise of any Option granted hereunder shall only be effective at such time

as counsel to the Company shall have determined that the issuance and delivery of shares of Common Stock pursuant to such exercise is in compliance with all applicable laws, regulations of governmental authorities and the requirements of any securities exchange on which shares of Common Stock are traded. The Company may, in its sole discretion, defer the effectiveness of any exercise of an Option granted hereunder in order to allow the issuance of shares of Common Stock pursuant thereto to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Company shall inform the Participant in writing of its decision to defer the effectiveness of the exercise of an Option granted hereunder. During the period that the effectiveness of the exercise of an Option has been deferred, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

(c) It is intended that the Plan and any grant of an Incentive Award made to a person subject to Section 16 of the Exchange Act meet all of the requirements of Rule 16b-3 promulgated thereunder. If any provision of the Plan or any such Incentive Award would disqualify the Plan or such Incentive Award under, or would otherwise not comply with, Rule 16b-3, such provision or Incentive Award shall be construed or deemed amended to conform to Rule 16b-3 to the extent permitted by applicable law and deemed advisable by the Board of Directors.

16. QUALIFIED PERFORMANCE-BASED COMPENSATION

Unless otherwise determined by the Committee with respect to any particular Incentive Award, it is intended that the Plan comply fully with and meet all the requirements of Section 162(m) of the Code so that (i) Options granted hereunder with an exercise price not less than Fair Market Value of a share of Common Stock on the date of grant and (ii) the payment of a Performance Award, shall qualify for the Performance-Based Exception. If any provision of the Plan or an Incentive Award would disqualify the Plan or would not otherwise permit the Plan or an Incentive Award to comply with the Performance-Based Exception as so intended, such provision shall be construed or deemed amended to conform to the requirements or provisions of the Performance-Based Exception to the extent permitted by applicable law and deemed advisable by the Committee; provided that no such construction or amendment shall have an adverse effect on the economic value to a Participant of any outstanding Incentive Award previously granted.

17. WITHHOLDING TAXES

Whenever shares of Common Stock are to be issued upon the exercise of an Option, the occurrence of the Issue Date or Vesting Date with respect to a share of Restricted Stock, the payment of a Performance Award in shares of Common Stock or the payment of a Stock Bonus, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy federal, state and local withholding tax requirements, if any, attributable to such exercise, occurrence or payment prior to the delivery of any certificate or certificates for such shares. In addition, upon the grant of a Cash Bonus, the payment of a Performance Award or the making of a payment with respect to a share of Phantom Stock, the

Company shall have the right to withhold from any cash payment required to be made pursuant thereto an amount sufficient to satisfy the federal, state and local withholding tax requirements, if any, attributable to such exercise or grant.

18. TERMINATION AND AMENDMENT OF THE PLAN

The Board of Directors may at any time suspend or terminate the Plan or revise or amend it in any respect whatsoever, provided, however, that without approval of the Company's stockholders no revision or amendment shall (a) except as provided in Section 12 hereof, increase the number of shares of Common Stock hereunder that may be issued under the Plan, (b) except as provided in Section 12 hereof, increase the maximum number of shares of Common Stock that may be subject to an Incentive Award subject to Section 162(m) of the Code for any one Covered Employee for any calendar year, (c) increase the maximum value of a Performance Award subject to Section 162(m) of the Code for any one Covered Employee for any calendar year, (d) modify the requirements as to eligibility for participation in the Plan, (e) extend the term of the Plan, or (f) decrease any authority granted to the Committee under the Plan in contravention of Rule 16b-3 under the Exchange Act.

No termination, amendment, or modification of the Plan shall adversely affect in any material way any outstanding Incentive Award previously granted under the Plan, without the written consent of such Participant or other designated holder of such Incentive Award.

In addition, to the extent that the Committee determines that (a) the listing for qualification requirements of any national securities exchange or quotation system on which the Company's Common Stock is then listed or quoted, or (b) the Code (or regulations promulgated thereunder), require stockholder approval in order to maintain compliance with such listing requirements or to maintain any favorable tax advantages or qualifications, then the Plan shall not be amended in such respect without approval of the Company's stockholders.

19. NO OBLIGATION TO EXERCISE

The grant to a Participant of an Option shall impose no obligation upon such Participant to exercise such Option.

20. TRANSFERS UPON DEATH

Upon the death of a Participant, outstanding Incentive Awards granted to such Participant may be exercised only by the executors or administrators of the Participant's estate or by any person or persons who shall have acquired such right to exercise by will or by the laws of descent and distribution. No transfer by will or the laws of descent and distribution of any Incentive Award, or the right to exercise any Incentive Award, shall be effective to bind the Company unless the Committee shall have been furnished with (a) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer and (b) an agreement by the transferee to comply with all the terms and conditions of the Incentive Award that are or would have been applicable to the Participant and to be bound by

the acknowledgments made by the Participant in connection with the grant of the Incentive Award.

21. EXPENSES AND RECEIPTS

The expenses of the Plan shall be paid by the Company. Any proceeds received by the Company in connection with any Incentive Award will be used for general corporate purposes.

22. FAILURE TO COMPLY

In addition to the remedies of the Company elsewhere provided for herein, failure by a Participant to comply with any of the terms and conditions of the Plan or the agreement executed by such Participant evidencing an Incentive Award, unless such failure is remedied by such Participant within ten days after having been notified of such failure by the Committee, shall be grounds for the cancellation and forfeiture of such Incentive Award, in whole or in part, as the Committee, in its absolute discretion, may determine.

23. GOVERNING LAW

The Plan shall be interpreted, construed and constructed in accordance with the laws of the State of Texas, except as superseded by the laws of the United States.

24. EFFECTIVE DATE AND TERM OF PLAN

The Plan was adopted by the Board of Directors and approved by the stockholders of the Company effective September 30, 1996. The Plan was amended and restated effective July 1, 1997 with the approval of the Board of Directors. No Incentive Award may be granted under the Plan after September 29, 2006.

I-SECTOR CORP.
INCENTIVE PLAN

(AS AMENDED AND RESTATED
EFFECTIVE JULY 28, 2003)

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I-SECTOR CORP.
INCENTIVE PLAN

SECTION 1.

GENERAL PROVISIONS RELATING TO
PLAN GOVERNANCE, COVERAGE AND BENEFITS

1.1 PURPOSE

The I-Sector Corp. Stock Incentive Plan as amended and restated effective July 28, 2003 (the "PLAN") amends and restates the Allstar Systems, Inc. 2000 Stock Incentive Plan (the "PRIOR PLAN") to increase the number of shares of Common Stock available for Incentive Awards and to make certain other changes as provided herein. Allstar Systems, Inc. changed its name to I-Sector Corp. The purpose of the Plan is to foster and promote the long-term financial success of I-Sector Corp. (the "COMPANY") and its Subsidiaries and to increase stockholder value by: (a) encouraging the commitment of selected key Employees, Consultants and Outside Directors, (b) motivating superior performance of key Employees, Consultants and Outside Directors by means of long-term performance related incentives, (c) encouraging and providing key Employees, Consultants and Outside Directors with a program for obtaining ownership interests in the Company which link and align their personal interests to those of the Company's stockholders, (d) attracting and retaining key Employees, Consultants and Outside Directors by providing competitive incentive compensation opportunities, and (e) enabling key Employees, Consultants and Outside Directors to share in the long-term growth and success of the Company.

The Plan provides for payment of various forms of incentive compensation. It is not intended to be a plan that is subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan will be interpreted, construed and administered consistent with its status as a plan that is not subject to ERISA.

The Effective Date of the Prior Plan is March 15, 2000. The term EFFECTIVE DATE as used herein shall mean March 15, 2000. Subject to approval by the Company's stockholders pursuant to Section 7.1, the Plan will be amended and restated effective as of July 28, 2003. The Plan shall continue from the Effective Date, and will remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Section 7.7, until all Shares subject to the Plan have been purchased or acquired according to its provisions. However, in no event may an Incentive Award be granted under the Plan after the expiration of ten (10) years from the Effective Date.

1.2 DEFINITIONS

The following terms shall have the meanings set forth below:

(a) APPRECIATION. The difference between the option exercise price per share of the Nonstatutory Stock Option to which a Tandem SAR relates and the Fair Market Value of a share of Common Stock on the date of exercise of the Tandem SAR.

(b) AUTHORIZED OFFICER. The Chairman of the Board, the CEO or any other senior officer of the Company to whom either of them delegate the authority to execute any Incentive Agreement for and on behalf of the Company. No officer or director shall be an Authorized Officer with respect to any Incentive Agreement for himself.

(c) BOARD. The Board of Directors of the Company.

(d) CAUSE. When used in connection with the termination of a Grantee's Employment, shall mean the termination of the Grantee's Employment by the Company or any Subsidiary by reason of (i) the conviction of the Grantee by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude or a felony; (ii) the proven commission by the Grantee of a material act of fraud upon the Company or any Subsidiary, or any customer or supplier thereof; (iii) the willful and proven misappropriation of any funds or property of the Company or any Subsidiary, or any customer or supplier thereof; (iv) the willful, continued and unreasonable failure by the Grantee to perform the material duties assigned to him which is not cured to the reasonable satisfaction of the Company within 30 days after written notice of such failure is provided to Grantee by the Board or a designated officer of the Company or a Subsidiary; (v) the knowing engagement by the Grantee in any direct and material conflict of interest with the Company or any Subsidiary without compliance with the Company's or Subsidiary's conflict of interest policy, if any, then in effect; or (vi) the knowing engagement by the Grantee, without the written approval of the Board, in any material activity which competes with the business of the Company or any Subsidiary or which would result in a material injury to the business, reputation or goodwill of the Company or any Subsidiary.

(e) CEO. The Chief Executive Officer of the Company.

(f) CONTROL IN CONTROL. Any of the events described in and subject to Section 6.7.

(g) CODE. The Internal Revenue Code of 1986, as amended, and the regulations and other authority promulgated thereunder by the appropriate governmental authority. References herein to any provision of the Code shall refer to any successor provision thereto.

(h) COMMITTEE. A committee appointed by the Board consisting of at least one member as appointed by the Board to administer the Plan. However, if the Company is a Publicly Held Corporation, the Plan shall be administered by a committee appointed by the Board consisting of not less than two directors who fulfill the "non-employee director" requirements of Rule 16b-3 under the Exchange Act and the "outside director" requirements of Section 162(m) of the Code. In either case, the Committee may be the Compensation Committee of the Board, or any subcommittee of the Compensation Committee, provided that the members of the Committee satisfy the requirements of the previous provisions of this paragraph.

The Board shall have the power to fill vacancies on the Committee arising by resignation, death, removal or otherwise. The Board, in its sole discretion, may bifurcate the powers and duties of the Committee among one or more separate committees, or retain all powers and duties of the Committee in a single Committee. The members of the Committee shall serve at the discretion of the Board.

Notwithstanding the preceding paragraphs of this Section 1.2(h), the term "Committee" as used in the Plan with respect to any Incentive Award for an Outside Director shall refer to the entire Board. In the case of an Incentive Award for an Outside Director, the Board shall have all the powers and responsibilities of the Committee hereunder as to such Incentive Award, and any actions as to such Incentive Award may be acted upon only by the Board (unless it otherwise designates in its discretion). When the Board exercises its authority to act in the capacity as the Committee hereunder with respect to an Incentive Award for an Outside Director, it shall so designate with respect to any action that it undertakes in its capacity as the Committee.

(i) COMMON STOCK. The common stock of the Company, \$.01 par value per share, and any class of common stock into which such common shares may hereafter be converted, reclassified or recapitalized.

(j) COMPANY. I-Sector Corp., a corporation organized under the laws of the State of Delaware and any successor in interest thereto.

(k) CONSULTANT. An independent agent, consultant, attorney, an individual who has agreed to become an Employee within the next six months, or any other individual who is not an Outside Director or employee of the Company (or any Parent or Subsidiary) and who, in the opinion of the Committee, is in a position to contribute to the growth or financial success of the Company (or any Parent or Subsidiary), (ii) is a natural person and (iii) provides bona fide services to the Company (or any Parent or Subsidiary), which services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities.

(l) COVERED EMPLOYEE. A named executive officer who is one of the group of covered employees, as defined in Section 162(m) of the Code and Treasury Regulation Section 1.162-27(c) (or its successor), during any such period that the Company is a Publicly Held Corporation.

(m) DEFERRED STOCK. Shares of Common Stock to be issued or transferred to a Grantee under an Other Stock-Based Award granted pursuant to Section 5 at the end of a specified deferral period, as set forth in the Incentive Agreement pertaining thereto.

(n) DISABILITY. As determined by the Committee in its discretion exercised in good faith, a physical or mental condition of the Employee that would entitle him to payment of disability income payments under the Company's long term disability insurance policy or plan for employees, as then effective, if any; or in the event that the Grantee is not covered, for whatever reason, under the Company's long-term disability insurance policy or plan, "Disability" means a permanent and total disability as defined in Section 22(e)(3) of the Code. A determination of Disability may be made by a physician selected or approved by the Committee and, in this respect, the Grantee shall submit to any reasonable examination by such physician upon request.

(o) EMPLOYEE. Any employee of the Company (or any Parent or Subsidiary) within the meaning of Section 3401(c) of the Code who, in the opinion of the Committee, is in a position to contribute to the growth, development or financial success of the Company (or any Parent or Subsidiary), including, without limitation, officers who are members of the Board.

(p) EMPLOYMENT. Employment by the Company (or any Parent or Subsidiary), or by any corporation issuing or assuming an Incentive Award in any transaction described in Section 424(a) of the Code, or by a parent corporation or a subsidiary corporation of such corporation issuing or assuming such Incentive Award, as the parent-subsidiary relationship shall be determined at the time of the corporate action described in Section 424(a) of the Code. In this regard, neither the transfer of a Grantee from Employment by the Company to Employment by any Parent or Subsidiary, nor the transfer of a Grantee from Employment by any Parent or Subsidiary to Employment by the Company, shall be deemed to be a termination of Employment of the Grantee. Moreover, the Employment of a Grantee shall not be deemed to have been terminated because of an approved leave of absence from active Employment on account of temporary illness, authorized vacation or granted for reasons of professional advancement,

education, health, or government service, or military leave, or during any period required to be treated as a leave of absence by virtue of any applicable statute, Company personnel policy or agreement. Whether an authorized leave of absence shall constitute termination of Employment hereunder shall be determined by the Committee in its discretion.

Unless otherwise provided in the Incentive Agreement, the term "Employment" for purposes of the Plan is also defined to include (i) compensatory or advisory services performed by a Consultant for the Company (or any Parent or Subsidiary) and (ii) membership on the Board by an Outside Director.

(q) EXCHANGE ACT. The Securities Exchange Act of 1934, as amended.

(r) FAIR MARKET VALUE. If the Company is not a Publicly Held Corporation at the time a determination of the Fair Market Value of the Common Stock is required to be made hereunder, the determination of Fair Market Value for purposes of the Plan shall be made by the Committee in its discretion. In this respect, the Committee may rely on such financial data, appraisals, valuations, experts, and other sources, in its discretion, as it deems advisable under the circumstances.

If the Company is a Publicly Held Corporation, the Fair Market Value of one share of Common Stock on the date in question is deemed to be (i) the closing sales price on the immediately preceding business day of a share of Common Stock as reported on the New York Stock Exchange or other principal securities exchange on which Shares are then listed or admitted to trading, or (ii) if not so reported, the average of the closing bid and asked prices for a Share on the immediately preceding business day as quoted on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), or (iii) if not quoted on NASDAQ, the average of the closing bid and asked prices for a Share as quoted by the National Quotation Bureau's "Pink Sheets" or the National Association of Securities Dealers' OTC Bulletin Board System. If there was no public trade of Common Stock on the date in question, Fair Market Value shall be determined by reference to the last preceding date on which such a trade was so reported.

(s) GRANTEE. Any Employee, Consultant or Outside Director who is granted an Incentive Award under the Plan.

(t) IMMEDIATE FAMILY. With respect to a Grantee, the Grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships.

(u) INCENTIVE AWARD. A grant of an award under the Plan to a Grantee, including any Nonstatutory Stock Option, Incentive Stock Option, Reload Options, Stock Appreciation Right, Restricted Stock Award, Performance Unit, Performance Share, or Other Stock-Based Award, as well as any Supplemental Payment.

(v) INCENTIVE AGREEMENT. The written agreement entered into between the Company and the Grantee setting forth the terms and conditions pursuant to which an Incentive Award is granted under the Plan, as such agreement is further defined in Section 6.1(a).

(w) INCENTIVE STOCK OPTION. A Stock Option granted by the Committee to an Employee under Section 2 which is designated by the Committee as an Incentive Stock Option and intended to qualify as an Incentive Stock Option under Section 422 of the Code.

(x) INDEPENDENT SAR. A Stock Appreciation Right described in Section 2.5.

(y) INSIDER. If the Company is a Publicly Held Corporation, an individual who is, on the relevant date, an officer, director or ten percent (10%) beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, all as defined under Section 16 of the Exchange Act.

(z) NONSTATUTORY STOCK OPTION. A Stock Option granted by the Committee to a Grantee under Section 2 that is not designated by the Committee as an Incentive Stock Option.

(aa) OPTION PRICE. The exercise price at which a Share may be purchased by the Grantee of a Stock Option.

(bb) OTHER STOCK-BASED AWARD. An award granted by the Committee to a Grantee under Section 5.1 that is valued in whole or in part by reference to, or is otherwise based upon, Common Stock.

(cc) OUTSIDE DIRECTOR. A member of the Board who is not, at the time of grant of an Incentive Award, an employee of the Company or any Parent or Subsidiary.

(dd) PARENT. Any corporation (whether now or hereafter existing) which constitutes a "parent" of the Company, as defined in Section 424(e) of the Code. .

(ee) PERFORMANCE-BASED AWARDS. An award granted by the Committee to the Grantee under Section 4 which may include Performance Shares or Performance Units.

(ff) PERFORMANCE-BASED EXCEPTION. The performance-based exception from the tax deductibility limitations of Section 162(m) of the Code, as prescribed in Code Section 162(m) and Treasury Regulation Section 1.162-27(e) (or its successor), which is applicable during such period that the Company is a Publicly Held Corporation.

(gg) PERFORMANCE PERIOD. A period of time determined by the Committee and set out in the Incentive Agreement over which performance is measured for the purpose of determining a Grantee's right to and the payment value of any Performance Unit, Performance Share or Other Stock-Based Award.

(hh) PERFORMANCE SHARE OR PERFORMANCE UNIT. An Incentive Award representing a contingent right to receive cash or shares of Common Stock (which may be Restricted Stock) at the end of a Performance Period and which, in the case of Performance Shares, is denominated in Common Stock, and, in the case of Performance Units, is denominated in cash values.

(ii) PLAN. I-Sector Corp. Incentive Plan, as set forth herein and as it may be amended from time to time.

(jj) PUBLICLY HELD CORPORATION. A corporation issuing any class of common equity securities required to be registered under Section 12 of the Exchange Act.

(kk) RESTRICTED STOCK. Shares of Common Stock issued or transferred to a Grantee pursuant to Section 3.

(ll) RESTRICTED STOCK AWARD. An authorization by the Committee to issue or transfer Restricted Stock to a Grantee.

(mm) RESTRICTION PERIOD. The period of time determined by the Committee and set forth in the Incentive Agreement during which the transfer of Restricted Stock by the Grantee is restricted.

(nn) RETIREMENT. The voluntary termination of Employment from the Company or any Parent or Subsidiary constituting retirement for age on any date after the Employee attains the normal retirement age of 65 years, or such other age as may be designated by the Committee in the Employee's Incentive Agreement.

(oo) SHARE. A share of the Common Stock of the Company.

(pp) SHARE POOL. The number of shares authorized for issuance under Section 1.4, as adjusted for awards and payouts under Section 1.5 and as adjusted for changes in corporate capitalization under Section 6.5.

(qq) SPREAD. The difference between the exercise price per Share specified in any Independent SAR grant and the Fair Market Value of a Share on the date of exercise of the Independent SAR.

(rr) STOCK APPRECIATION RIGHT OR SAR. A Tandem SAR described in Section 2.4 or an Independent SAR described in Section 2.5.

(ss) STOCK OPTION OR OPTION. Pursuant to Section 2, (i) an Incentive Stock Option granted to an Employee, or (ii) a Nonstatutory Stock Option granted to an Employee, Consultant or Outside Director, whereunder such option the Grantee has the right to purchase Shares of Common Stock. In accordance with Section 422 of the Code, only an Employee may be granted an Incentive Stock Option.

(tt) SUBSIDIARY. Any corporation (whether now or hereafter existing) which constitutes a "subsidiary" of the Company, as defined in Section 424(f) of the Code.

(uu) SUPPLEMENTAL PAYMENT. Any amount, as described in Sections 2.7, 3.4 and/or 4.2, that is dedicated to payment of income taxes which are payable by the Grantee resulting from an Incentive Award.

(vv) TANDEM SAR. A Stock Appreciation Right that is granted in connection with a related Stock Option pursuant to Section 2.4, the exercise of which shall require forfeiture of the right to purchase a Share under the related Stock Option (and when a Share is purchased under the Stock Option, the Tandem SAR shall similarly be canceled).

(a) AUTHORITY OF THE COMMITTEE. Except as may be limited by law and subject to the provisions herein, the Committee shall have full power to (i) select Grantees who shall participate in the Plan; (ii) determine the sizes, duration and types of Incentive Awards; (iii) determine the terms and conditions of Incentive Awards and Incentive Agreements; (iv) determine whether any Shares subject to Incentive Awards will be subject to any restrictions on transfer; (v) construe and interpret the Plan and any Incentive Agreement or other agreement entered into under the Plan; and (vi) establish, amend, or waive rules for the Plan's administration. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan, including without limitation, correcting any defect, supplying any omission or reconciling any inconsistency in the Plan or any Incentive Agreement. The determinations of the Committee shall be final and binding.

(b) MEETINGS. The Committee shall designate a chairman from among its members who shall preside at all of its meetings, and shall designate a secretary, without regard to whether that person is a member of the Committee, who shall keep the minutes of the proceedings and all records, documents, and data pertaining to its administration of the Plan. Meetings shall be held at such times and places as shall be determined by the Committee and the Committee may hold telephonic meetings. The Committee may take any action otherwise proper under the Plan by the affirmative vote, taken with or without a meeting, of a majority of its members. The Committee may authorize any one or more of their members or any officer of the Company to execute and deliver documents on behalf of the Committee.

(c) DECISIONS BINDING. All determinations and decisions made by the Committee shall be made in its discretion pursuant to the provisions of the Plan, and shall be final, conclusive and binding on all persons including the Company, its shareholders, Employees, Grantees, and their estates and beneficiaries. The Committee's decisions and determinations with respect to any Incentive Award need not be uniform and may be made selectively among Incentive Awards and Grantees, whether or not such Incentive Awards are similar or such Grantees are similarly situated.

(d) MODIFICATION OF OUTSTANDING INCENTIVE AWARDS. Subject to the stockholder approval requirements of Section 7.7 if applicable, the Committee may, in its discretion, provide for the extension of the exercisability of an Incentive Award, accelerate the vesting or exercisability of an Incentive Award, eliminate or make less restrictive any restrictions contained in an Incentive Award, waive any restriction or other provisions of an Incentive Award, or otherwise amend or modify an Incentive Award in any manner that is either (i) not adverse to the Grantee to whom such Incentive Award was granted or (ii) consented to by such Grantee. With respect to an Incentive Award that is an incentive stock option (as described in Section 422 of the Code), no adjustment to such option shall be made to the extent constituting a "modification" within the meaning of Section 424(h)(3) of the Code unless otherwise agreed to by the optionee in writing.

(e) DELEGATION OF AUTHORITY. The Committee may delegate to designated officers or other employees of the Company any of its duties and authority under the Plan pursuant to such conditions or limitations as the Committee may establish from time to time; provided, however, if the Company is a Publicly Held Corporation, the Committee may not delegate to any person the authority to (i) grant Incentive Awards, or (ii) take any action which would contravene the

requirements of Rule 16b-3 under the Exchange Act or the Performance-Based Exception under Section 162(m) of the Code.

(f) EXPENSES OF COMMITTEE. The Committee may employ legal counsel, including, without limitation, independent legal counsel and counsel regularly employed by the Company, and other agents as the Committee may deem appropriate for the administration of the Plan. The Committee may rely upon any opinion or computation received from any such counsel or agent. All expenses incurred by the Committee in interpreting and administering the Plan, including, without limitation, meeting expenses and professional fees, shall be paid by the Company.

(g) SURRENDER OF PREVIOUS INCENTIVE AWARDS. THE COMMITTEE MAY, IN ITS ABSOLUTE DISCRETION, GRANT INCENTIVE AWARDS TO GRANTEEES ON THE CONDITION THAT SUCH GRANTEEES SURRENDER TO THE COMMITTEE FOR CANCELLATION SUCH OTHER INCENTIVE AWARDS (INCLUDING, WITHOUT LIMITATION, INCENTIVE AWARDS WITH HIGHER EXERCISE PRICES) AS THE COMMITTEE DIRECTS. INCENTIVE AWARDS GRANTED ON THE CONDITION PRECEDENT OF SURRENDER OF OUTSTANDING INCENTIVE AWARDS SHALL NOT COUNT AGAINST THE LIMITS SET FORTH IN SECTION 1.4 UNTIL SUCH TIME AS SUCH PREVIOUS INCENTIVE AWARDS ARE SURRENDERED AND CANCELLED.

(h) INDEMNIFICATION. EACH PERSON WHO IS OR WAS A MEMBER OF THE COMMITTEE, OR OF THE BOARD, SHALL BE INDEMNIFIED BY THE COMPANY AGAINST AND FROM ANY DAMAGE, LOSS, LIABILITY, COST AND EXPENSE THAT MAY BE IMPOSED UPON OR REASONABLY INCURRED BY HIM IN CONNECTION WITH OR RESULTING FROM ANY CLAIM, ACTION, SUIT, OR PROCEEDING TO WHICH HE MAY BE A PARTY OR IN WHICH HE MAY BE INVOLVED BY REASON OF ANY ACTION TAKEN OR FAILURE TO ACT UNDER THE PLAN (INCLUDING SUCH INDEMNIFICATION FOR A PERSON'S OWN, SOLE, CONCURRENT OR JOINT NEGLIGENCE OR STRICT LIABILITY), EXCEPT FOR ANY SUCH ACT OR OMISSION CONSTITUTING WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. SUCH PERSON SHALL BE INDEMNIFIED BY THE COMPANY FOR ALL AMOUNTS PAID BY HIM IN SETTLEMENT THEREOF, WITH THE COMPANY'S APPROVAL, OR PAID BY HIM IN SATISFACTION OF ANY JUDGMENT IN ANY SUCH ACTION, SUIT, OR PROCEEDING AGAINST HIM, PROVIDED HE SHALL GIVE THE COMPANY AN OPPORTUNITY, AT ITS OWN EXPENSE, TO HANDLE AND DEFEND THE SAME BEFORE HE UNDERTAKES TO HANDLE AND DEFEND IT ON HIS OWN BEHALF. THE FOREGOING RIGHT OF INDEMNIFICATION SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS OF INDEMNIFICATION TO WHICH SUCH PERSONS MAY BE ENTITLED UNDER THE COMPANY'S ARTICLES OR CERTIFICATE OF INCORPORATION OR BYLAWS, AS A MATTER OF LAW, OR OTHERWISE, OR ANY POWER THAT THE COMPANY MAY HAVE TO INDEMNIFY THEM OR HOLD THEM HARMLESS.

1.4 SHARES OF COMMON STOCK AVAILABLE FOR INCENTIVE AWARDS

Subject to adjustment under Section 6.5, there shall be available for Incentive Awards that are granted wholly or partly in Common Stock (including rights or Options that may be exercised for or settled in Common Stock) 600,000 Shares of Common Stock. Not more than the total number of Shares reserved for issuance under the Plan (pursuant to the previous sentence) shall be available for any one of the following types of grants: Incentive Stock Options, Nonstatutory Stock Options, SAR, Restricted Stock, a payment of a Performance Share in Shares, a payout of a Performance Unit in Shares, a payout of an Other Stock-Based Award in Shares described in Section 5 (which includes, without limitation,

Deferred Stock, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. The number of Shares of Common Stock that are the subject of Incentive Awards under this Plan, that are forfeited or terminated, expire unexercised, are settled in cash in lieu of Common Stock or in a manner such that all or some of the Shares covered by an Incentive Award are not issued to a Grantee or are exchanged for Incentive Awards that do not involve Common Stock, shall again immediately become available for Incentive Awards hereunder. The Committee may from time to time adopt and observe such procedures concerning the counting of Shares against the Plan maximum as it may deem appropriate. The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for issuance pursuant to Incentive Awards.

During any period that the Company is a Publicly Held Corporation, then unless and until the Committee determines that a particular Incentive Award granted to a Covered Employee is not intended to comply with the Performance-Based Exception, the following rules shall apply to grants of Incentive Awards to Covered Employees:

(a) Subject to adjustment as provided in Section 6.5, the maximum aggregate number of Shares of Common Stock (including Stock Options, SARs, Restricted Stock, Performance Units and Performance Shares paid out in Shares, or Other Stock-Based Awards paid out in Shares) that may be granted or that may vest, as applicable, in any calendar year pursuant to any Incentive Award held by any individual Covered Employee shall be 600,000 Shares.

(b) The maximum aggregate cash payout (including SARs, Performance Units and Performance Shares paid out in cash, or Other Stock-Based Awards paid out in cash) with respect to Incentive Awards granted in any calendar year which may be made to any Covered Employee shall be Twenty Million dollars (\$20,000,000).

(c) With respect to any Stock Option or Stock Appreciation Right granted to a Covered Employee that is canceled or repriced, the number of Shares subject to such Stock Option or Stock Appreciation Right shall continue to count against the maximum number of Shares that may be the subject of Stock Options or Stock Appreciation Rights granted to such Covered Employee hereunder and, in this regard, such maximum number shall be determined in accordance with Section 162(m) of the Code.

(d) The limitations of subsections (a), (b) and (c) above shall be construed and administered so as to comply with the Performance-Based Exception.

1.5 SHARE POOL ADJUSTMENTS FOR AWARDS AND PAYOUTS.

The following Incentive Awards and payouts shall reduce, on a one Share for one Share basis, the number of Shares authorized for issuance under the Share Pool:

- (a) Stock Option;
- (b) SAR (except a Tandem SAR);

- (c) Restricted Stock;
- (d) A payout of a Performance Share in Shares;
- (e) A payout of a Performance Unit in Shares; and
- (f) A payout of an Other Stock-Based Award in Shares.

The following transactions shall restore, on a one Share for one Share basis, the number of Shares authorized for issuance under the Share Pool:

(a) A Payout of an SAR, Tandem SAR, Restricted Stock Award, or Other Stock-Based Award in the form of cash;

(b) A cancellation, termination, expiration, forfeiture, or lapse for any reason (with the exception of the termination of a Tandem SAR upon exercise of the related Stock Option, or the termination of a related Stock Option upon exercise of the corresponding Tandem SAR) of any Shares subject to an Incentive Award; and

(c) Payment of an Option Price with previously acquired Shares or by withholding Shares which otherwise would be acquired on exercise (i.e., the Share Pool shall be increased by the number of Shares turned in or withheld as payment of the Option Price).

1.6 COMMON STOCK AVAILABLE.

The Common Stock available for issuance or transfer under the Plan shall be made available from Shares now or hereafter (a) held in the treasury of the Company, (b) authorized but unissued shares, or (c) shares to be purchased or acquired by the Company. No fractional shares shall be issued under the Plan; payment for fractional shares shall be made in cash.

1.7 PARTICIPATION

(a) ELIGIBILITY. The Committee shall from time to time designate those Employees, Consultants and/or Outside Directors, if any, to be granted Incentive Awards under the Plan, the type of Incentive Awards granted, the number of Shares, Stock Options, rights or units, as the case may be, which shall be granted to each such person, and any other terms or conditions relating to the Incentive Awards as it may deem appropriate to the extent consistent with the provisions of the Plan. A Grantee who has been granted an Incentive Award may, if otherwise eligible, be granted additional Incentive Awards at any time.

(b) INCENTIVE STOCK OPTION ELIGIBILITY. No Consultant or Outside Director shall be eligible for the grant of any Incentive Stock Option. In addition, no Employee shall be eligible for the grant of any Incentive Stock Option who owns or would own immediately before the grant of such Incentive Stock Option, directly or indirectly, stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, or any Parent or Subsidiary. This restriction does not apply if, at the time such Incentive Stock Option is granted, the Incentive Stock Option exercise price is at least one hundred and ten percent (110%) of the Fair Market Value on the date of grant and the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant. For the purpose of the

immediately preceding sentence, the attribution rules of Section 424(d) of the Code shall apply for the purpose of determining an Employee's percentage ownership in the Company or any Parent or Subsidiary. This paragraph shall be construed consistent with the requirements of Section 422 of the Code.

1.8 TYPES OF INCENTIVE AWARDS

The types of Incentive Awards under the Plan are Stock Options, Stock Appreciation Rights and Supplemental Payments as described in Section 2, Restricted Stock and Supplemental Payments as described in Section 3, Performance Units, Performance Shares and Supplemental Payments as described in Section 4, Other Stock-Based Awards and Supplemental Payments as described in Section 5, or any combination of the foregoing.

SECTION 2.

STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

2.1 GRANT OF STOCK OPTIONS

The Committee is authorized to grant (a) Nonstatutory Stock Options to Employees, Consultants and/or Outside Directors and (b) Incentive Stock Options to Employees only, in accordance with the terms and conditions of the Plan, and with such additional terms and conditions, not inconsistent with the Plan, as the Committee shall determine in its discretion. Successive grants may be made to the same Grantee whether or not any Stock Option previously granted to such person remains unexercised.

2.2 STOCK OPTION TERMS

(a) WRITTEN AGREEMENT. Each grant of an Stock Option shall be evidenced by a written Incentive Agreement. Among its other provisions, each Incentive Agreement shall set forth the extent to which the Grantee shall have the right to exercise the Stock Option following termination of the Grantee's Employment. Such provisions shall be determined in the discretion of the Committee, shall be included in the Grantee's Incentive Agreement, and need not be uniform among all Stock Options issued pursuant to the Plan.

(b) NUMBER OF SHARES. Each Stock Option shall specify the number of Shares of Common Stock to which it pertains.

(c) EXERCISE PRICE. The exercise price per Share of Common Stock under each Stock Option shall be determined by the Committee; provided, however, that in the case of an Incentive Stock Option, such exercise price shall not be less than 100% of the Fair Market Value per Share on the date the Incentive Stock Option is granted (110% for 10% or greater shareholders pursuant to Section 1.7(b)). To the extent that the Company is a Publicly Held Corporation and the Stock Option is intended to qualify for the Performance-Based Exception, the exercise price shall not be less than 100% of the Fair Market Value per Share on the date the Stock Option is granted. Each Stock Option shall specify the method of exercise which shall be consistent with the requirements of Section 2.3(a).

(d) TERM. In the Incentive Agreement, the Committee shall fix the term of each Stock Option which shall be not more than ten (10) years from the date of grant (five years for ISO

grants to 10% or greater shareholders pursuant to Section 1.7(b)). In the event no term is fixed, such term shall be ten (10) years from the date of grant.

(e) EXERCISE. The Committee shall determine the time or times at which a Stock Option may be exercised in whole or in part. Each Stock Option may specify the required period of continuous Employment and/or the performance objectives to be achieved before the Stock Option or portion thereof will become exercisable. Each Stock Option, the exercise of which, or the timing of the exercise of which, is dependent, in whole or in part, on the achievement of designated performance objectives, may specify a minimum level of achievement in respect of the specified performance objectives below which no Stock Options will be exercisable and a method for determining the number of Stock Options that will be exercisable if performance is at or above such minimum but short of full achievement of the performance objectives. All such terms and conditions shall be set forth in the Incentive Agreement.

(f) \$100,000 ANNUAL LIMIT ON INCENTIVE STOCK OPTIONS. Notwithstanding any contrary provision in the Plan, to the extent that the aggregate Fair Market Value (determined as of the time the Incentive Stock Option is granted) of the Shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Grantee during any single calendar year (under the Plan and any other stock option plans of the Company and its Subsidiaries or Parent) exceeds the sum of \$100,000, such Incentive Stock Option shall be treated as a Nonstatutory Stock Option to the extent in excess of the \$100,000 limit, and not an Incentive Stock Option, but all other terms and provisions of such Stock Option shall remain unchanged. This paragraph shall be applied by taking Incentive Stock Options into account in the order in which they were granted and shall be construed in accordance with Section 422(d) of the Code. In the absence of such regulations or other authority, or if such regulations or other authority require or permit a designation of the Options which shall cease to constitute Incentive Stock Options, then such Incentive Stock Options, only to the extent of such excess, shall automatically be deemed to be Nonstatutory Stock Options but all other terms and conditions of such Incentive Stock Options, and the corresponding Incentive Agreement, shall remain unchanged.

2.3 STOCK OPTION EXERCISES

(a) METHOD OF EXERCISE AND PAYMENT. Stock Options shall be exercised by the delivery of a signed written notice of exercise to the Company as of a date set by the Company in advance of the effective date of the proposed exercise. The notice shall set forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

The Option Price upon exercise of any Stock Option shall be payable to the Company in full either: (i) in cash or its equivalent, or (ii) subject to prior approval by the Committee in its discretion, by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Option Price (provided that the Shares which are tendered must have been held by the Grantee for at least six (6) months prior to their tender to satisfy the Option Price), or (iii) subject to prior approval by the Committee in its discretion, by withholding Shares which otherwise would be acquired on exercise having an aggregate Fair Market Value at the time of exercise equal to the total Option Price, or (iv) subject to prior approval by the Committee in its discretion, by a combination of (i), (ii), and (iii) above. Any payment in Shares of Common Stock shall be effected by the delivery of such Shares to the Secretary of the Company, duly endorsed in blank or accompanied by stock powers duly executed in blank, together with any other documents as the Secretary or Committee may require from time to time.

The Committee, in its discretion, also may allow the Option Price to be paid with such other consideration as shall constitute lawful consideration for the issuance of Shares (including, without limitation, effecting a "cashless exercise" with a broker of the Option), subject to applicable securities law restrictions and tax withholdings, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law. A "cashless exercise" of an Option is a procedure by which a broker provides the funds to the Grantee to effect an Option exercise, to the extent consented to by the Committee in its discretion. At the direction of the Grantee, the broker will either (i) sell all of the Shares received when the Option is exercised and pay the Grantee the proceeds of the sale (minus the Option Price, withholding taxes and any fees due to the broker) or (ii) sell enough of the Shares received upon exercise of the Option to cover the Option Price, withholding taxes and any fees due the broker and deliver to the Grantee (either directly or through the Company) a stock certificate for the remaining Shares. Dispositions to a broker effecting a cashless exercise are not exempt under Section 16 of the Exchange Act (if the Company is a Publicly Held Corporation). In no event will the Committee allow the Option Price to be paid with a form of consideration, including a loan or cashless exercise, if such form of consideration would violate the Sarbanes-Oxley Act of 2002 as determined by the Committee in its discretion.

In the discretion of the Committee, an Option may be exercised by a broker-dealer acting on behalf of the Grantee if (i) the broker-dealer has received from the Grantee a duly endorsed Incentive Agreement evidencing such Option and instructions signed by the Grantee requesting the Company to deliver the shares of Common Stock subject to such Option to the broker-dealer on behalf of the Grantee and specifying the account into which such shares should be deposited, (ii) adequate provision has been made with respect to the payment of any withholding taxes due upon such exercise, and (iii) the broker-dealer and the Grantee have otherwise complied with Section 220.3(e)(4) of Regulation T, 12 CFR Part 220 (or its successor).

As soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver, or cause to be delivered, to or on behalf of the Grantee, in the name of the Grantee or other appropriate recipient, Share certificates for the number of Shares purchased under the Stock Option. Such delivery shall be effected for all purposes when the Company or a stock transfer agent of the Company shall have deposited such certificates in the United States mail, addressed to Grantee or other appropriate recipient.

Subject to Section 6.2, during the lifetime of a Grantee, each Option granted to him shall be exercisable only by the Grantee (or his legal guardian in the event of his Disability) or by a broker-dealer acting on his behalf pursuant to a cashless exercise under the foregoing provisions of this Section 2.3(a).

(b) RESTRICTIONS ON SHARE TRANSFERABILITY. The Committee may impose such restrictions on any grant of Stock Option or on any Shares acquired pursuant to the exercise of a Stock Option as it may deem advisable, including, without limitation, restrictions under (i) any stockholders' agreement, buy/sell agreement, stockholders' agreement, right of first refusal, non-competition, and any other agreement between the Company and any of its securities holders or employees, (ii) any applicable federal securities laws, (iii) the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or (iv) any blue sky or state securities law applicable to such Shares. Any certificate issued to evidence Shares issued upon the exercise of an Incentive Award may bear such legends and statements as the Committee shall deem advisable to assure compliance with federal and state laws and regulations.

Any Grantee or other person exercising an Incentive Award may be required by the Committee to give a written representation that the Incentive Award and the Shares subject to the Incentive Award will be acquired for investment and not with a view to public distribution; provided, however, that the Committee, in its sole discretion, may release any person receiving an Incentive Award from any such representations either prior to or subsequent to the exercise of the Incentive Award.

(c) NOTIFICATION OF DISQUALIFYING DISPOSITION OF SHARES FROM INCENTIVE STOCK OPTIONS. Notwithstanding any other provision of the Plan, a Grantee who disposes of Shares of Common Stock acquired upon the exercise of an Incentive Stock Option by a sale or exchange either (i) within two (2) years after the date of the grant of the Incentive Stock Option under which the Shares were acquired or (ii) within one (1) year after the transfer of such Shares to him pursuant to exercise, shall promptly notify the Company of such disposition, the amount realized and his adjusted basis in such Shares.

(d) PROCEEDS OF OPTION EXERCISE. The proceeds received by the Company from the sale of Shares pursuant to Stock Options exercised under the Plan shall be used for general corporate purposes.

2.4 STOCK APPRECIATION RIGHTS IN TANDEM WITH NONSTATUTORY STOCK OPTIONS

(a) GRANT. The Committee may, at the time of grant of a Nonstatutory Stock Option, or at any time thereafter during the term of the Nonstatutory Stock Option, grant Stock Appreciation Rights with respect to all or any portion of the Shares of Common Stock covered by such Nonstatutory Stock Option. A Stock Appreciation Right in tandem with a Nonstatutory Stock Option is referred to herein as a "TANDEM SAR."

(b) GENERAL PROVISIONS. The terms and conditions of each Tandem SAR shall be evidenced by an Incentive Agreement. The Option Price per Share of a Tandem SAR shall be fixed in the Incentive Agreement and shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the grant date of the Nonstatutory Stock Option to which it relates.

(c) EXERCISE. A Tandem SAR may be exercised at any time the Nonstatutory Stock Option to which it relates is then exercisable, but only to the extent such Nonstatutory Stock Option is exercisable, and shall otherwise be subject to the conditions applicable to such Nonstatutory Stock Option. When a Tandem SAR is exercised, the Nonstatutory Stock Option to which it relates shall terminate to the extent of the number of Shares with respect to which the Tandem SAR is exercised. Similarly, when a Nonstatutory Stock Option is exercised, the Tandem SARs relating to the Shares covered by such Nonstatutory Stock Option exercise shall terminate. Any Tandem SAR which is outstanding on the last day of the term of the related Nonstatutory Stock Option shall be automatically exercised on such date for cash, without the need for any action by the Grantee, to the extent of any Appreciation.

(d) SETTLEMENT. Upon exercise of a Tandem SAR, the holder shall receive, for each Share with respect to which the Tandem SAR is exercised, an amount equal to the Appreciation. The Appreciation shall be payable in cash, Common Stock, or a combination of both, as specified in the Incentive Agreement (or in the discretion of the Committee if not so specified). The Appreciation shall be paid within 30 calendar days of the exercise of the Tandem SAR. The

number of Shares of Common Stock which shall be issuable upon exercise of a Tandem SAR shall be determined by dividing (1) by (2), where (1) is the number of Shares as to which the Tandem SAR is exercised multiplied by the Appreciation in such shares and (2) is the Fair Market Value of a Share on the exercise date.

2.5 STOCK APPRECIATION RIGHTS INDEPENDENT OF NONSTATUTORY STOCK OPTIONS

(a) GRANT. The Committee may grant Stock Appreciation Rights independent of Nonstatutory Stock Options ("INDEPENDENT SARs").

(b) GENERAL PROVISIONS. The terms and conditions of each Independent SAR shall be evidenced by an Incentive Agreement. The exercise price per share of Common Stock shall be not less than one hundred percent (100%) of the Fair Market Value of a Share of Common Stock on the date of grant of the Independent SAR. The term of an Independent SAR shall be determined by the Committee.

(c) EXERCISE. Independent SARs shall be exercisable at such time and subject to such terms and conditions as the Committee shall specify in the Incentive Agreement for the Independent SAR grant.

(d) SETTLEMENT. Upon exercise of an Independent SAR, the holder shall receive, for each Share specified in the Independent SAR grant, an amount equal to the Spread. The Spread shall be payable in cash, Common Stock, or a combination of both, in the discretion of the Committee or as specified in the Incentive Agreement. The Spread shall be paid within 30 calendar days of the exercise of the Independent SAR. The number of Shares of Common Stock which shall be issuable upon exercise of an Independent SAR shall be determined by dividing (1) by (2), where (1) is the number of Shares as to which the Independent SAR is exercised multiplied by the Spread in such Shares and (2) is the Fair Market Value of a Share on the exercise date.

2.6 Reload Options.

At the discretion of the Committee, the Grantee may be granted under an Incentive Agreement, replacement Stock Options under the Plan that permit the Grantee to purchase an additional number of Shares equal to the number of previously owned Shares surrendered by the Grantee to pay for all or a portion of the Option Price upon exercise of his Stock Options. The terms and conditions of such replacement Stock Options shall be set forth in the Incentive Agreement.

2.7 SUPPLEMENTAL PAYMENT ON EXERCISE OF NONSTATUTORY STOCK OPTIONS OR STOCK APPRECIATION RIGHTS.

The Committee, either at the time of grant or as of the time of exercise of any Nonstatutory Stock Option or Stock Appreciation Right, may provide in the Incentive Agreement for a Supplemental Payment by the Company to the Grantee with respect to the exercise of any Nonstatutory Stock Option or Stock Appreciation Right. The Supplemental Payment shall be in the amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the exercise of the Nonstatutory Stock Option and/or Stock Appreciation Right and the receipt of the Supplemental Payment, assuming the holder is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as deemed appropriate by the Committee. The Committee shall have the discretion to grant Supplemental Payments that are payable

solely in cash or Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 3.

RESTRICTED STOCK

3.1 AWARD OF RESTRICTED STOCK

(a) GRANT. In consideration of the performance of Employment by any Grantee who is an Employee, Consultant or Outside Director, Shares of Restricted Stock may be awarded under the Plan by the Committee with such restrictions during the Restriction Period as the Committee may designate in its discretion, any of which restrictions may differ with respect to each particular Grantee. Restricted Stock shall be awarded for no additional consideration or such additional consideration as the Committee may determine, which consideration may be less than, equal to or more than the Fair Market Value of the shares of Restricted Stock on the grant date. The terms and conditions of each grant of Restricted Stock shall be evidenced by an Incentive Agreement.

(b) IMMEDIATE TRANSFER WITHOUT IMMEDIATE DELIVERY OF RESTRICTED STOCK. Unless otherwise specified in the Grantee's Incentive Agreement, each Restricted Stock Award shall constitute an immediate transfer of the record and beneficial ownership of the Shares of Restricted Stock to the Grantee in consideration of the performance of services as an Employee, Consultant or Outside Director, as applicable, entitling such Grantee to all voting and other ownership rights in such Shares.

As specified in the Incentive Agreement, a Restricted Stock Award may limit the Grantee's dividend rights during the Restriction Period in which the shares of Restricted Stock are subject to a "substantial risk of forfeiture" (within the meaning given to such term under Code Section 83) and restrictions on transfer. In the Incentive Agreement, the Committee may apply any restrictions to the dividends that the Committee deems appropriate. Without limiting the generality of the preceding sentence, if the grant or vesting of Shares of Restricted Stock granted to a Covered Employee, if applicable, is designed to comply with the requirements of the Performance-Based Exception, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to such Shares of Restricted Stock, such that the dividends and/or the Shares of Restricted Stock maintain eligibility for the Performance-Based Exception. In the event that any dividend constitutes a derivative security or an equity security pursuant to the rules under Section 16 of the Exchange Act, if applicable, such dividend shall be subject to a vesting period equal to the remaining vesting period of the Shares of Restricted Stock with respect to which the dividend is paid.

Shares awarded pursuant to a grant of Restricted Stock may be issued in the name of the Grantee and held, together with a stock power endorsed in blank, by the Committee or Company (or their delegates) or in trust or in escrow pursuant to an agreement satisfactory to the Committee, as determined by the Committee, until such time as the restrictions on transfer have expired. All such terms and conditions shall be set forth in the particular Grantee's Incentive Agreement. The Company or Committee (or their delegates) shall issue to the Grantee a receipt evidencing the certificates held by it which are registered in the name of the Grantee.

3.2 RESTRICTIONS

(a) FORFEITURE OF RESTRICTED STOCK. Restricted Stock awarded to a Grantee may be subject to the following restrictions until the expiration of the Restriction Period: (i) a restriction that constitutes a "substantial risk of forfeiture" (as defined in Code Section 83), or a restriction on transferability; (ii) unless otherwise specified by the Committee in the Incentive Agreement, the Restricted Stock that is subject to restrictions which are not satisfied shall be forfeited and all rights of the Grantee to such Shares shall terminate; and (iii) any other restrictions that the Committee determines in advance are appropriate, including, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee. Any such restrictions shall be set forth in the particular Grantee's Incentive Agreement.

(b) ISSUANCE OF CERTIFICATES. Reasonably promptly after the date of grant with respect to Shares of Restricted Stock, the Company shall cause to be issued a stock certificate, registered in the name of the Grantee to whom such Shares of Restricted Stock were granted, evidencing such Shares; provided, however, that the Company shall not cause to be issued such a stock certificate unless it has received a stock power duly endorsed in blank with respect to such Shares. Each such stock certificate shall bear the following legend or any other legend approved by the Company:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE I-SECTOR CORP. INCENTIVE PLAN AND AN INCENTIVE AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER OF SUCH SHARES AND I-SECTOR CORP. A COPY OF THE PLAN AND INCENTIVE AGREEMENT ARE ON FILE IN THE CORPORATE OFFICES OF I-SECTOR CORP.

Such legend shall not be removed from the certificate evidencing such Shares of Restricted Stock until such Shares vest pursuant to the terms of the Incentive Agreement.

(c) REMOVAL OF RESTRICTIONS. The Committee, in its discretion, shall have the authority to remove any or all of the restrictions on the Restricted Stock if it determines that, by reason of a change in applicable law or another change in circumstance arising after the grant date of the Restricted Stock, such action is appropriate.

3.3 DELIVERY OF SHARES OF COMMON STOCK

Subject to withholding taxes under Section 7.3 and to the terms of the Incentive Agreement, a stock certificate evidencing the Shares of Restricted Stock with respect to which the restrictions in the Incentive Agreement have been satisfied shall be delivered to the Grantee or other appropriate recipient free of restrictions. Such delivery shall be effected for all purposes when the Company shall have deposited such certificate in the United States mail, addressed to the Grantee or other appropriate recipient.

3.4 SUPPLEMENTAL PAYMENT ON VESTING OF RESTRICTED STOCK

The Committee, either at the time of grant or vesting of Restricted Stock, may provide for a Supplemental Payment by the Company to the holder in an amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the vesting of the Restricted Stock and receipt of the Supplemental Payment, assuming the

Grantee is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as deemed appropriate by the Committee. The Committee shall have the discretion to grant Supplemental Payments that are payable solely in cash or Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 4.

PERFORMANCE UNITS AND PERFORMANCE SHARES

4.1 PERFORMANCE BASED AWARDS

(a) GRANT. The Committee is authorized to grant Performance-Based Awards consisting of Performance Units and Performance Shares to selected Grantees who are Employees, Outside Directors or Consultants. Each grant of Performance Units and/or Performance Shares shall be evidenced by an Incentive Agreement in such amounts and upon such terms as shall be determined by the Committee. The Committee may make grants of Performance Units or Performance Shares in such a manner that more than one Performance Period is in progress concurrently. For each Performance Period, the Committee shall establish the number of Performance Units or Performance Shares and their contingent values which may vary depending on the degree to which performance criteria established by the Committee are met.

(b) PERFORMANCE CRITERIA. The Committee may establish performance goals applicable to Performance-Based Awards based upon criteria in one or more of the following categories: (i) performance of the Company as a whole, (ii) performance of a segment of the Company's business, and (iii) individual performance. Performance criteria for the Company shall relate to the achievement of predetermined financial objectives for the Company and its Subsidiaries on a consolidated basis. Performance criteria for a segment of the Company's business shall relate to the achievement of financial and operating objectives of the segment for which the participant is accountable. Examples of performance criteria shall include (but are not limited to) pre-tax or after-tax profit levels, including: earnings per share, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, net operating profits after tax, and net income; total stockholder return; return on assets, equity, capital or investment; cash flow and cash flow return on investment; economic value added and economic profit; growth in earnings per share; levels of operating expense and maintenance expense or measures of customer satisfaction and customer service as determined from time to time including the relative improvement therein. Individual performance criteria shall relate to a participant's overall performance, taking into account, among other measures of performance, the attainment of individual goals and objectives. The performance goals may differ among participants.

(c) MODIFICATION. If the Committee determines, in its discretion exercised in good faith, that the established performance measures or objectives are no longer suitable to the Company's objectives because of a change in the Company's business, operations, corporate structure, capital structure, or other conditions the Committee deems to be appropriate, the Committee may modify the performance measures and objectives to the extent it considers such modification to be necessary. The Committee shall not permit any such modification that would cause the Performance-Based Awards to fail to qualify for the Performance-Based Exception, if applicable.

(d) PAYMENT. The basis for payment of Performance-Based Awards for a given Performance Period shall be the achievement of those performance objectives determined by the Committee at the beginning of the Performance Period as specified in the Grantee's Incentive Agreement. If minimum performance is not achieved for a Performance Period, no payment shall be made and all contingent rights shall cease. If minimum performance is achieved or exceeded, the number of Performance-Based Awards may be based on the degree to which actual performance exceeded the pre-established minimum performance standards. The amount of payment shall be determined by multiplying the number of Performance-Based Awards granted at the beginning of the Performance Period times the final Performance Award value. Payments shall be made, in the discretion of the Committee as specified in the Incentive Agreement.

(e) SPECIAL RULE FOR COVERED EMPLOYEES. No later than the ninetieth (90th) day following the beginning of a Performance Period (or twenty-five percent (25%) of the Performance Period) the Committee shall establish performance goals as described in Section 4.1 applicable to Performance-Based Awards awarded to Covered Employees in such a manner as shall permit payments with respect thereto to qualify for the Performance-Based Exception, if applicable. If a Performance Award granted to a Covered Employee is intended to comply with the Performance-Based Exception, the Committee in establishing performance goals shall comply with Treasury Regulation Section 1.162-27(e)(2) (or its successor). As soon as practicable following the Company's determination of the Company's financial results for any Performance Period, the Committee shall certify in writing: (i) whether the Company achieved its minimum performance for the objectives for the Performance Period, (ii) the extent to which the Company achieved its performance objectives for the Performance Period, (iii) any other terms that are material to the grant of Performance-Based Awards, and (iv) the calculation of the payments, if any, to be paid to each Grantee for the Performance Period.

4.2 SUPPLEMENTAL PAYMENT ON VESTING OF PERFORMANCE UNITS OR PERFORMANCE SHARES

The Committee, either at the time of grant or at the time of vesting of Performance Units or Performance Shares, may provide for a Supplemental Payment by the Company to the Grantee in an amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the vesting of such Performance Units or Performance Shares and receipt of the Supplemental Payment, assuming the Grantee is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as seemed appropriate by the Committee. The Committee shall have the discretion to grant Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 5.

OTHER STOCK-BASED AWARDS

5.1 GRANT OF OTHER STOCK-BASED AWARDS

Other Stock-Based Awards may be awarded by the Committee to selected Grantees that are denominated or payable in, valued in whole or in part by reference to, or otherwise related to, Shares of Common Stock, as deemed by the Committee to be consistent with the purposes of the Plan and the goals of the Company. Other types of Stock-Based Awards include, without limitation, Deferred Stock, purchase rights, Shares of Common Stock awarded which are not subject to any restrictions or conditions,

convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. As is the case with other Incentive Awards, Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other Incentive Awards.

5.2 OTHER STOCK-BASED AWARD TERMS

(a) WRITTEN AGREEMENT. The terms and conditions of each grant of an Other Stock-Based Award shall be evidenced by an Incentive Agreement.

(b) PURCHASE PRICE. Except to the extent that an Other Stock-Based Award is granted in substitution for an outstanding Incentive Award or is delivered upon exercise of a Stock Option, the amount of consideration required to be received by the Company shall be either (i) no consideration other than services actually rendered (in the case of authorized and unissued shares) or to be rendered, or (ii) in the case of an Other Stock-Based Award in the nature of a purchase right, consideration (other than services rendered or to be rendered) at least equal to 50% of the Fair Market Value of the Shares covered by such grant on the date of grant (or such percentage higher than 50% that is required by any applicable tax or securities law).

(c) PERFORMANCE CRITERIA AND OTHER TERMS. In its discretion, the Committee may specify such criteria, periods or goals for vesting in Other Stock-Based Awards and payment thereof to the Grantee as it shall determine; and the extent to which such criteria, periods or goals have been met shall be determined by the Committee. All terms and conditions of Other Stock-Based Awards shall be determined by the Committee and set forth in the Incentive Agreement. The Committee may also provide for a Supplemental Payment similar to such payment as described in Section 4.2.

(d) PAYMENT. Other Stock-Based Awards may be paid in Shares of Common Stock or other consideration related to such Shares, in a single payment or in installments on such dates as determined by the Committee, all as specified in the Incentive Agreement.

(e) DIVIDENDS. The Grantee of an Other Stock-Based Award shall be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the number of Shares covered by the Other Stock-Based Award only to the extent as determined by the Committee and set forth in the Incentive Agreement. The Committee may also provide in the Incentive Agreement that such amounts (if any) shall be deemed to have been reinvested in additional Shares of Common Stock.

SECTION 6.

PROVISIONS RELATING TO PLAN PARTICIPATION

6.1 PLAN CONDITIONS

(a) INCENTIVE AGREEMENT. Each Grantee to whom an Incentive Award is granted shall be required to enter into an Incentive Agreement with the Company, in such a form as is provided by the Committee. The Incentive Agreement shall contain specific terms as determined by the

Committee, in its discretion, with respect to the Grantee's particular Incentive Award. Such terms need not be uniform among all Grantees or any similarly-situated Grantees. The Incentive Agreement may include, without limitation, vesting, forfeiture and other provisions particular to the particular Grantee's Incentive Award, as well as, for example, provisions to the effect that the Grantee (i) shall not disclose any confidential information acquired during Employment with the Company, (ii) shall abide by all the terms and conditions of the Plan and such other terms and conditions as may be imposed by the Committee, (iii) shall not interfere with the employment or other service of any employee, (iv) shall not compete with the Company or become involved in a conflict of interest with the interests of the Company, (v) shall forfeit an Incentive Award if terminated for Cause, (vi) shall not be permitted to make an election under Section 83(b) of the Code when applicable, and (vii) shall be subject to any other agreement between the Grantee and the Company regarding Shares that may be acquired under an Incentive Award including, without limitation, a stockholders' agreement or other agreement restricting the transferability of Shares by Grantee. An Incentive Agreement shall include such terms and conditions as are determined by the Committee, in its discretion, to be appropriate with respect to any individual Grantee. The Incentive Agreement shall be signed by the Grantee to whom the Incentive Award is made and by an Authorized Officer.

(b) NO RIGHT TO EMPLOYMENT. Nothing in the Plan or any instrument executed pursuant to the Plan shall create any Employment rights (including without limitation, rights to continued Employment) in any Grantee or affect the right of the Company to terminate the Employment of any Grantee at any time without regard to the existence of the Plan.

(c) SECURITIES REQUIREMENTS. The Company shall be under no obligation to effect the registration pursuant to the Securities Act of 1933 of any Shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing Shares pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities, and the requirements of any securities exchange on which Shares are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing Shares of Common Stock pursuant to the terms hereof, that the recipient of such Shares make such covenants, agreements and representations, and that such certificates bear such legends, as the Committee, in its discretion, deems necessary or desirable.

If the Shares issuable on exercise of an Incentive Award are not registered under the Securities Act of 1933, the Company may imprint on the certificate for such Shares the following legend or any other legend which counsel for the Company considers necessary or advisable to comply with the Securities Act of 1933:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT UPON SUCH REGISTRATION OR UPON RECEIPT BY THE CORPORATION OF AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, THAT REGISTRATION IS NOT REQUIRED FOR SUCH SALE OR TRANSFER.

6.2 TRANSFERABILITY

Incentive Awards granted under the Plan shall not be transferable or assignable other than: (a) by will or the laws of descent and distribution or (b) pursuant to a qualified domestic relations order (as defined by Section 414(p) of the Code); provided, however, only with respect to Incentive Awards consisting of Nonstatutory Stock Options, the Committee may, in its discretion, authorize all or a portion of the Nonstatutory Stock Options to be granted on terms which permit transfer by the Grantee to (i) the members of the Grantee's Immediate Family, (ii) a trust or trusts for the exclusive benefit of such Immediate Family, (iii) a partnership in which such members of such Immediate Family are the only partners, or (iv) any other entity owned solely by members of the Immediate Family; provided that (A) there may be no consideration for any such transfer, (B) the Incentive Agreement pursuant to which such Nonstatutory Stock Options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section 6.2, and (C) subsequent transfers of transferred Nonstatutory Stock Options shall be prohibited except in accordance with clauses (a) and (b) (above) of this sentence. Following any permitted transfer, the Nonstatutory Stock Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the term "Grantee" shall be deemed to refer to the transferee. The events of termination of employment, as set out in Section 6.6 and in the Incentive Agreement, shall continue to be applied with respect to the original Grantee, and the Incentive Award shall be exercisable by the transferee only to the extent, and for the periods, specified in the Incentive Agreement.

Except as may otherwise be permitted under the Code, in the event of a permitted transfer of a Nonstatutory Stock Option hereunder, the original Grantee shall remain subject to withholding taxes upon exercise. In addition, the Company and the Committee shall have no obligation to provide any notices to any Grantee or transferee thereof, including, for example, notice of the expiration of an Incentive Award following the original Grantee's termination of employment.

No transfer by will or by the laws of descent and distribution shall be effective to bind the Company unless the Committee has been furnished with a copy of the deceased Grantee's enforceable will or such other evidence as the Committee deems necessary to establish the validity of the transfer. Any attempted transfer in violation of this Section 6.2 shall be void and ineffective. All determinations under this Section 6.2 shall be made by the Committee in its discretion.

6.3 RIGHTS AS A STOCKHOLDER

(a) NO STOCKHOLDER RIGHTS. Except as otherwise provided in Section 3.1(b) for grants of Restricted Stock, a Grantee of an Incentive Award (or a permitted transferee of such Grantee) shall have no rights as a stockholder with respect to any Shares of Common Stock until the issuance of a stock certificate for such Shares.

(b) REPRESENTATION OF OWNERSHIP. In the case of the exercise of an Incentive Award by a person or estate acquiring the right to exercise such Incentive Award by reason of the death or Disability of a Grantee, the Committee may require reasonable evidence as to the ownership of such Incentive Award or the authority of such person and may require such consents and releases of taxing authorities as the Committee may deem advisable.

6.4 LISTING AND REGISTRATION OF SHARES OF COMMON STOCK

The exercise of any Incentive Award granted hereunder shall only be effective at such time as counsel to the Company shall have determined that the issuance and delivery of Shares of Common Stock

pursuant to such exercise is in compliance with all applicable laws, regulations of governmental authorities and the requirements of any securities exchange on which Shares of Common Stock are traded. The Committee may, in its discretion, defer the effectiveness of any exercise of an Incentive Award in order to allow the issuance of Shares of Common Stock to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Grantee in writing of its decision to defer the effectiveness of the exercise of an Incentive Award. During the period that the effectiveness of the exercise of an Incentive Award has been deferred, the Grantee may, by written notice to the Committee, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

6.5 CHANGE IN STOCK AND ADJUSTMENTS

(a) CHANGES IN LAW OR CIRCUMSTANCES. Subject to Section 6.7 (which only applies in the event of a Change of Control), in the event of any change in applicable laws or any change in circumstances which results in or would result in any dilution of the rights granted under the Plan, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan, then, if the Committee should determine, in its absolute discretion, that such change equitably requires an adjustment in the number or kind of shares of stock or other securities or property theretofore subject, or which may become subject, to issuance or transfer under the Plan or in the terms and conditions of outstanding Incentive Awards, such adjustment shall be made in accordance with such determination. Such adjustments may include changes with respect to (i) the aggregate number of Shares that may be issued under the Plan, (ii) the number of Shares subject to Incentive Awards, and (iii) the price per Share for outstanding Incentive Awards. Any adjustment under this paragraph of an outstanding Incentive Stock Option shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code unless otherwise agreed to by the Grantee in writing. The Committee shall give notice to each applicable Grantee of such adjustment which shall be effective and binding.

(b) EXERCISE OF CORPORATE POWERS. The existence of the Plan or outstanding Incentive Awards hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalization, reorganization or other changes in the Company's capital structure or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

(c) RECAPITALIZATION OF THE COMPANY. Subject to Section 6.7 (which only applies in the event of a Change in Control), if while there are Incentive Awards outstanding, the Company shall effect any subdivision or consolidation of Shares of Common Stock or other capital readjustment, the payment of a stock dividend, stock split, combination of Shares, recapitalization or other increase or reduction in the number of Shares outstanding, without receiving compensation therefor in money, services or property, then the number of Shares available under the Plan and the number of Incentive Awards which may thereafter be exercised shall (i) in the event of an increase in the number of Shares outstanding, be proportionately increased and the Fair Market Value of the Incentive Awards awarded shall be proportionately reduced; and (ii) in the event of a reduction in the number of Shares outstanding, be proportionately reduced, and the Fair Market Value of the Incentive Awards awarded shall be proportionately increased. The Committee shall take such action and whatever other action it deems appropriate, in its discretion,

so that the value of each outstanding Incentive Award to the Grantee shall not be adversely affected by a corporate event described in this subsection (c).

(d) ISSUE OF COMMON STOCK BY THE COMPANY. Except as hereinabove expressly provided in this Section 6.5 and subject to Section 6.7 in the event of a Change in Control, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon any conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of, or Fair Market Value of, any Incentive Awards then outstanding under previously granted Incentive Awards; provided, however, in such event, outstanding Shares of Restricted Stock shall be treated the same as outstanding unrestricted Shares of Common Stock.

(e) ASSUMPTION UNDER THE PLAN OF OUTSTANDING STOCK OPTIONS. Notwithstanding any other provision of the Plan, the Committee, in its absolute discretion, may authorize the assumption and continuation under the Plan of outstanding and unexercised stock options or other types of stock-based incentive awards that were granted under a stock option plan (or other type of stock incentive plan or agreement) that is or was maintained by a corporation or other entity that was merged into, consolidated with, or whose stock or assets were acquired by, the Company as the surviving corporation. Any such action shall be upon such terms and conditions as the Committee, in its discretion, may deem appropriate, including provisions to preserve the holder's rights under the previously granted and unexercised stock option or other stock-based incentive award, such as, for example, retaining an existing exercise price under an outstanding stock option. Any such assumption and continuation of any such previously granted and unexercised incentive award shall be treated as an outstanding Incentive Award under the Plan and shall thus count against the number of Shares reserved for issuance pursuant to Section 1.4. In addition, any Shares issued by the Company through the assumption or substitution of outstanding grants from an acquired company shall reduce the Shares available for grants under Section 1.4.

(f) ASSUMPTION OF INCENTIVE AWARDS BY A SUCCESSOR. Subject to the accelerated vesting and other provisions of Section 6.7 that apply in the event of a Change in Control, in the event of a Corporate Event (defined below), each Grantee shall be entitled to receive, in lieu of the number of Shares subject to Incentive Awards, such shares of capital stock or other securities or property as may be issuable or payable with respect to or in exchange for the number of Shares which Grantee would have received had he exercised the Incentive Award immediately prior to such Corporate Event, together with any adjustments (including, without limitation, adjustments to the Option Price and the number of Shares issuable on exercise of outstanding Stock Options). For this purpose, Shares of Restricted Stock shall be treated the same as unrestricted outstanding Shares of Common Stock. A "Corporate Event" means any of the following: (i) a dissolution or liquidation of the Company, (ii) a sale of all or substantially all of the Company's assets, or (iii) a merger, consolidation or combination involving the Company (other than a merger, consolidation or combination (A) in which the Company is the continuing or surviving corporation and (B) which does not result in the outstanding Shares being converted into or exchanged for different securities, cash or other property, or any combination thereof). The Committee shall take whatever other action it deems appropriate to preserve the rights of Grantees holding outstanding Incentive Awards.

Notwithstanding the previous paragraph of this Section 6.5(f), but subject to the accelerated vesting and other provisions of Section 6.7 that apply in the event of a Change in

Control, the Committee, in its discretion, if it determines that such action is in the best interests of the Company, shall have the right and power to:

(i) cancel, effective immediately prior to the occurrence of the Corporate Event, each outstanding Incentive Award (whether or not then exercisable) and, in full consideration of such cancellation, pay to the Grantee an amount in cash equal to the excess of (A) the value, as determined by the Committee, of the property (including cash) received by the holders of Common Stock as a result of such Corporate Event over (B) the exercise price of such Incentive Award, if any; provided, however, this subsection (i) shall be inapplicable to an Incentive Award granted within six (6) months before the occurrence of the Corporate Event but only if the Grantee is an Insider and such disposition is not exempt under Rule 16b-3 (or other rules preventing liability of the Insider under Section 16(b) of the Exchange Act) and, in that event, the provisions hereof shall be applicable to such Incentive Award after the expiration of six (6) months from the date of grant; or

(ii) provide for the exchange of each Incentive Award outstanding immediately prior to such Corporate Event (whether or not then exercisable) for another award with respect to the Common Stock or other property for which such Incentive Award is exchangeable and, incident thereto, make an equitable adjustment as determined by the Committee, in its discretion, in the exercise price of the Incentive Award, if any, or in the number of Shares or amount of property (including cash) subject to the Incentive Award.

The Committee, in its discretion, shall have the authority to take whatever action it deems to be necessary or appropriate to effectuate the provisions of this subsection (f).

6.6 TERMINATION OF EMPLOYMENT, DEATH, DISABILITY AND RETIREMENT

(a) TERMINATION OF EMPLOYMENT. Unless otherwise expressly provided in the Grantee's Incentive Agreement, if the Grantee's Employment is terminated for any reason other than due to his death, Disability, Retirement or for Cause, any non-vested portion of any Stock Option or other applicable Incentive Award at the time of such termination shall automatically expire and terminate and no further vesting shall occur after the termination date. In such event, except as otherwise expressly provided in his Incentive Agreement, the Grantee shall be entitled to exercise his rights only with respect to the portion of the Incentive Award that was vested as of his termination of Employment date for a period that shall end on the earlier of (i) the expiration date set forth in the Incentive Agreement or (ii) ninety (90) days (not exceeding 3 months in the case of a statutory stock option) after the date of his termination of Employment.

(b) TERMINATION OF EMPLOYMENT FOR CAUSE. Unless otherwise expressly provided in the Grantee's Incentive Agreement, in the event of the termination of a Grantee's Employment for Cause, all vested and non-vested Stock Options and other Incentive Awards granted to such Grantee shall immediately expire, and shall not be exercisable to any extent, as of 12:01 a.m. (CST) on the date of such termination of Employment.

(c) RETIREMENT. Unless otherwise expressly provided in the Grantee's Incentive Agreement, upon the termination of Employment due to the Retirement of any Employee who is a Grantee:

(i) any non-vested portion of any outstanding Option or other Incentive Award shall immediately terminate and no further vesting shall occur; and

(ii) any vested Option or other Incentive Award shall expire on the earlier of (A) the expiration date set forth in the Incentive Agreement for such Incentive Award; or (B) the expiration of (1) six months after the date of his termination of Employment due to Retirement in the case of any Incentive Award other than an Incentive Stock Option or (2) three months after his termination date in the case of an Incentive Stock Option.

(d) DISABILITY OR DEATH. Unless otherwise expressly provided in the Grantee's Incentive Agreement, upon termination of Employment as a result of the Grantee's Disability or death:

(i) any nonvested portion of any outstanding Option or other applicable Incentive Award shall immediately terminate upon termination of Employment and no further vesting shall occur; and

(ii) any vested Incentive Award shall expire on the earlier of either (A) the expiration date set forth in the Incentive Agreement or (B) the one year anniversary date of the Grantee's termination of Employment date.

In the case of any vested Incentive Stock Option held by an Employee following termination of Employment, notwithstanding the definition of "Disability" in Section 1.2, whether the Employee has incurred a "Disability" for purposes of determining the length of the Option exercise period following termination of Employment under this paragraph (d) shall be determined by reference to Section 22(e)(3) of the Code to the extent required by Section 422(c)(6) of the Code. The Committee shall determine whether a Disability for purposes of this subsection (d) has occurred.

(e) CONTINUATION. Subject to the conditions and limitations of the Plan and applicable law and regulation in the event that a Grantee ceases to be an Employee, Outside Director or Consultant, as applicable, for whatever reason, the Committee and Grantee may mutually agree with respect to any outstanding Option or other Incentive Award then held by the Grantee (i) for an acceleration or other adjustment in any vesting schedule applicable to the Incentive Award, (ii) for a continuation of the exercise period following termination for a longer period than is otherwise provided under such Incentive Award, or (iii) to any other change in the terms and conditions of the Incentive Award. In the event of any such change to an outstanding Incentive Award, a written amendment to the Grantee's Incentive Agreement shall be required.

6.7 CHANGE IN CONTROL

Notwithstanding any contrary provision in the Plan, in the event of a Change in Control (as defined below), the following actions shall automatically occur as of the day immediately preceding the Change in Control date unless expressly provided otherwise in the Grantee's Incentive Agreement:

(a) all of the Stock Options and Stock Appreciation Rights then outstanding shall become 100% vested and immediately and fully exercisable;

(b) all of the restrictions and conditions of any Restricted Stock and any Other Stock-Based Awards then outstanding shall be deemed satisfied, and the Restriction Period with respect

thereto shall be deemed to have expired, and thus each such Incentive Award shall become free of all restrictions and fully vested; and

(c) all of the Performance Shares, Performance Units and any Other Stock-Based Awards shall become fully vested, deemed earned in full, and promptly paid within thirty (30) days to the affected Grantees without regard to payment schedules and notwithstanding that the applicable performance cycle, retention cycle or other restrictions and conditions have not been completed or satisfied.

Notwithstanding any other provision of this Plan, unless otherwise expressly provided in the Grantee's Incentive Agreement, the provisions of this Section 6.7 may not be terminated, amended, or modified to adversely affect any Incentive Award theretofore granted under the Plan without the prior written consent of the Grantee with respect to his outstanding Incentive Awards subject, however, to the last paragraph of this Section 6.7.

For all purposes of this Plan, a "CHANGE IN CONTROL" of the Company means the occurrence of any one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of 14(d)(2) of the Exchange Act (a "PERSON")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "OUTSTANDING COMPANY STOCK") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "OUTSTANDING COMPANY VOTING SECURITIES"); provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company or any Subsidiary, (ii) any acquisition by the Company or any Subsidiary or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (iii) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving the Company (a "MERGER"), if, following such Merger, the conditions described in clauses (i) and (ii) Section 6.7(c) (below) are satisfied;

(b) Individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the "INCUMBENT BOARD") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Approval by the shareholders of the Company of a Merger, unless immediately following such Merger, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to Merger beneficially own, directly or indirectly, more than 50% of the common stock of the corporation resulting from such Merger in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to such Merger and (ii) at least a majority of the members of the board of directors of the

corporation resulting from such Merger were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Merger;

(d) The sale or other disposition of all or substantially all of the assets of the Company, unless immediately following such sale or other disposition, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to the consummation of such sale or other disposition beneficially own, directly or indirectly, more than 50% of the common stock of the corporation acquiring such assets in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to the consummation of such sale or disposition, and (ii) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(e) Any other event that a majority of the Board, in its sole discretion, determines to constitute a Change in Control hereunder.

Notwithstanding the occurrence of any of the foregoing events of this Section 6.7 which would otherwise result in a Change in Control, the Board may determine in its discretion, if it deems it to be in the best interest of the Company, that an event or events otherwise constituting or reasonably leading to a Change in Control shall not be deemed a Change in Control hereunder. Such determination shall be effective only if it is made by the Board prior to the occurrence of an event that otherwise would be, or reasonably lead to, a Change in Control, or after such event only if made by the Board a majority of which is composed of directors who were members of the Board immediately prior to the event that otherwise would be, or reasonably lead to, a Change in Control.

6.8 EXCHANGE OF INCENTIVE AWARDS

The Committee may, in its discretion, permit any Grantee to surrender outstanding Incentive Awards in order to exercise or realize his rights under other Incentive Awards or in exchange for the grant of new Incentive Awards, or require holders of Incentive Awards to surrender outstanding Incentive Awards (or comparable rights under other plans or arrangements) as a condition precedent to the grant of new Incentive Awards.

6.9 FINANCING

To the extent permitted by the Sarbanes-Oxley Act of 2002 or other applicable laws, the Company may extend and maintain, or arrange for and guarantee, the extension and maintenance of financing to any Grantee to purchase Shares pursuant to exercise of an Incentive Award upon such terms as are approved by the Committee in its discretion.

SECTION 7.

GENERAL

7.1 EFFECTIVE DATE AND GRANT PERIOD

This Plan is hereby amended and restated by the Board effective as of July 28, 2003, subject to the approval of the stockholders of the Company within one year from July 28, 2003. Incentive Awards may be granted under the Plan at any time prior to receipt of such stockholder approval; provided,

however, if the requisite stockholder approval is not obtained then any Incentive Awards granted hereunder shall automatically become null and void and of no force or effect. Unless sooner terminated by the Board, no Incentive Award shall be granted under the Plan after ten (10) years from the Effective Date, as defined in Section 1.1.

7.2 FUNDING AND LIABILITY OF COMPANY

No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made, or otherwise to segregate any assets. In addition, the Company shall not be required to maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for purposes of the Plan. Although bookkeeping accounts may be established with respect to Grantees who are entitled to cash, Common Stock or rights thereto under the Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto. The Plan shall not be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto. Any liability or obligation of the Company to any Grantee with respect to an Incentive Award shall be based solely upon any contractual obligations that may be created by this Plan and any Incentive Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company, the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by the Plan.

7.3 WITHHOLDING TAXES

(a) TAX WITHHOLDING. The Company shall have the power and the right to deduct or withhold, or require a Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan or an Incentive Award hereunder. Upon the lapse of restrictions on Restricted Stock, the Committee, in its discretion, may elect to satisfy the tax withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction.

(b) SHARE WITHHOLDING. With respect to tax withholding required upon the exercise of Stock Options or SARs, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event arising as a result of any Incentive Awards, Grantees may elect, subject to the approval of the Committee in its discretion, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its discretion, deems appropriate.

(c) INCENTIVE STOCK OPTIONS. With respect to Shares received by a Grantee pursuant to the exercise of an Incentive Stock Option, if such Grantee disposes of any such Shares within (i) two years from the date of grant of such Option or (ii) one year after the transfer of such shares to the Grantee, the Company shall have the right to withhold from any salary, wages or other compensation payable by the Company to the Grantee an amount sufficient to satisfy federal, state and local tax withholding requirements attributable to such disqualifying disposition.

(d) LOANS. To the extent permitted by the Sarbanes-Oxley Act of 2002 or other applicable law, the Committee may provide for loans, on either a short term or demand basis, from the Company to a Grantee who is an Employee or Consultant to permit the payment of taxes required by law.

7.4 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Company nor the Committee makes any commitment or guarantee that any federal, state or local tax treatment will apply or be available to any person participating or eligible to participate hereunder.

7.5 DESIGNATION OF BENEFICIARY BY PARTICIPANT

Each Grantee may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Committee, and will be effective only when filed by the Grantee in writing with the Committee during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

7.6 DEFERRALS

The Committee may permit a Grantee to defer such Grantee's receipt of the payment of cash or the delivery of Shares that would, otherwise be due to such Grantee by virtue of the lapse or waiver of restrictions with respect to Restricted Stock, or the satisfaction of any requirements or goals with respect to Performance Units, Performance Shares or Other Stock-Based Awards. If any such deferral election is permitted, the Committee shall, in its discretion, establish rules and procedures for such payment deferrals to the extent required for tax deferral of compensation under the Code.

7.7 AMENDMENT AND TERMINATION

The Board and CEO shall each have the power and authority to terminate or amend the Plan at any time; provided, however, the Board or CEO shall not, without the approval of the stockholders of the Company within the time period required by applicable law, (a) except as provided in Section 6.5, increase the maximum number of Shares which may be issued under the Plan pursuant to Section 1.4, (b) amend the requirements as to the class of Employees eligible to purchase Common Stock under the Plan, (c) extend the term of the Plan, or, if the Company is a Publicly Held Corporation (i) increase the maximum limits on Incentive Awards to Covered Employees as set for compliance with the Performance-Based Exception, or (ii) decrease the authority granted to the Committee under the Plan in contravention of Rule 16b-3 under the Exchange Act.

No termination, amendment, or modification of the Plan shall adversely affect in any material way any outstanding Incentive Award previously granted to a Grantee under the Plan, without the written consent of such Grantee or other designated holder of such Incentive Award.

In addition, to the extent that the Committee determines that (a) the listing for qualification requirements of any national securities exchange or quotation system on which the Company's Common Stock is then listed or quoted, if applicable, or (b) the Code (or regulations promulgated thereunder), require stockholder approval in order to maintain compliance with such listing requirements or to

maintain any favorable tax advantages or qualifications, then the Plan shall not be amended in such respect without approval of the Company's stockholders.

7.8 REQUIREMENTS OF LAW

(a) GOVERNMENTAL ENTITIES AND SECURITIES EXCHANGES. The granting of Incentive Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules and regulations of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation, and any applicable federal or state securities law, if applicable. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

(b) SECURITIES ACT RULE 701. If no class of the Company's securities is registered under Section 12 of the Exchange Act, then unless otherwise determined by the Committee, grants of Incentive Awards to "Rule 701 Grantees" (as defined below) and issuances of the underlying shares of Common Stock, if any, on the exercise or conversion of such Incentive Awards are intended to comply with all applicable conditions of Securities Act Rule 701 ("Rule 701"), including, without limitation, the restrictions as to the amount of securities that may be offered and sold in reliance on Rule 701, so as to qualify for an exemption from the registration requirements of the Securities Act. Any ambiguities or inconsistencies in the construction of an Incentive Award or the Plan shall be interpreted to give effect to such intention. In accordance with Rule 701, each Grantee shall receive a copy of the Plan on or before the date an Incentive Award is granted to him, as well as the additional disclosure required by Rule 701(e) if the aggregate sales price or amount of securities sold during any consecutive 12-month period exceeds \$5,000,000 as determined under Rule 701(e). If Rule 701 (or any successor provision) is amended to eliminate or otherwise modify any of the requirements specified in Rule 701, then the provisions of this subsection 7.8(b) shall be interpreted and construed in accordance with Rule 701 as so amended. For purposes of this subsection 7.8(b), as determined in accordance with Rule 701, "Rule 701 Grantees" shall mean any Grantee other than a director of the Company, the Company's chairman, chief executive officer, president, chief financial officer, controller and any vice president of the Company, and any other key employee of the Company who generally has access to financial and other business related information and possesses sufficient sophistication to understand and evaluate such information.

7.9 RULE 16b-3 SECURITIES LAW COMPLIANCE FOR INSIDERS

If the Company is a Publicly Held Corporation, transactions under the Plan with respect to Insiders are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act. With respect to all Grantees, transactions under the Plan are intended to comply with Securities Regulation BTR and the Company's insider trading policies as revised from time to time or such other similar Company policies, including but not limited to, policies relating to black out periods. Any ambiguities or inconsistencies in the construction of an Incentive Award or the Plan shall be interpreted to give effect to such intention, and to the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee in its discretion.

7.10 COMPLIANCE WITH CODE SECTION 162(m) FOR PUBLICLY HELD CORPORATION

If the Company is a Publicly Held Corporation, unless otherwise determined by the Committee with respect to any particular Incentive Award, it is intended that the Plan shall comply fully with the applicable requirements so that any Incentive Awards subject to Section 162(m) that are granted to Covered Employees shall qualify for the Performance-Based Exception, except for grants of Nonstatutory Stock Options with an Option Price set at less than the Fair Market Value of a Share on the date of grant. If any provision of the Plan or an Incentive Agreement would disqualify the Plan or would not otherwise permit the Plan or Incentive Award to comply with the Performance-Based Exception as so intended, such provision shall be construed or deemed to be amended to conform to the requirements of the Performance-Based Exception to the extent permitted by applicable law and deemed advisable by the Committee; provided, however, no such construction or amendment shall have an adverse effect on the prior grant of an Incentive Award or the economic value to a Grantee of any outstanding Incentive Award, unless consented to in writing by the Grantee.

7.11 SUCCESSORS TO COMPANY

All obligations of the Company under the Plan with respect to Incentive Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

7.12 MISCELLANEOUS PROVISIONS

(a) No Employee, Consultant, Outside Director, or other person shall have any claim or right to be granted an Incentive Award under the Plan. Neither the Plan, nor any action taken hereunder, shall be construed as giving any Employee, Consultant, or Outside Director any right to be retained in the Employment or other service of the Company or any Parent or Subsidiary.

(b) The expenses of the Plan shall be borne by the Company.

(c) By accepting any Incentive Award, each Grantee and each person claiming by or through him shall be deemed to have indicated his acceptance of the Plan.

(d) No Shares of Common Stock shall be issued hereunder unless counsel for the Company is then reasonably satisfied that such issuance will be in compliance with federal and state securities laws, if applicable.

7.13 SEVERABILITY

In the event that any provision of this Plan shall be held illegal, invalid or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal, invalid, or unenforceable provision was not included herein.

7.14 GENDER, TENSE AND HEADINGS

Whenever the context so requires, words of the masculine gender used herein shall include the feminine and neuter, and words used in the singular shall include the plural. Section headings as used

herein are inserted solely for convenience and reference and constitute no part of the interpretation or construction of the Plan.

7.15 GOVERNING LAW

The Plan shall be interpreted, construed and constructed in accordance with the laws of the State of Texas without regard to its conflicts of law provisions, except as may be superseded by applicable laws of the United States.

IN WITNESS WHEREOF, the Company has caused this Plan to be duly executed in its name and on its behalf by its duly authorized officer.

I-SECTOR CORP.

By: /s/ James H. Long

Name: James H. Long

Title: President and CEO

INTERNETWORK EXPERTS, INC.

INCENTIVE PLAN

(AS AMENDED AND RESTATED EFFECTIVE AUGUST 1, 2003)

INTERNETWORK EXPERTS, INC.
INCENTIVE PLAN

SECTION 1.

GENERAL PROVISIONS RELATING TO
PLAN GOVERNANCE, COVERAGE AND BENEFITS

1.1 PURPOSE

This Internetwork Experts Incentive Plan as amended and restated effective August 1, 2003 (the "PLAN") amends and restates the Internetwork Experts, Inc. 2000 Stock Incentive Plan (the "PRIOR PLAN") to (a) change the name of the Plan to "Internetwork Experts, Inc. Incentive Plan," (b) modify Plan language to accommodate regulatory and policy changes, (c) increase the number of shares of Common Stock available for Incentive Awards under the Plan from nine million (9,000,000) shares to ten million (10,000,000) Shares, and (d) make certain other changes as provided herein.

The purpose of the Plan is to foster and promote the long-term financial success of Internetwork Experts, Inc. (the "COMPANY") and its Subsidiaries and to increase stockholder value by: (a) encouraging the commitment of selected key Employees, Consultants and Outside Directors, (b) motivating superior performance of key Employees, Consultants and Outside Directors by means of long-term performance related incentives, (c) encouraging and providing key Employees, Consultants and Outside Directors with a program for obtaining ownership interests in the Company which link and align their personal interests to those of the Company's stockholders, (d) attracting and retaining key Employees, Consultants and Outside Directors by providing competitive incentive compensation opportunities, and (e) enabling key Employees, Consultants and Outside Directors to share in the long-term growth and success of the Company.

The Plan provides for payment of various forms of incentive compensation. It is not intended to be a plan that is subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan will be interpreted, construed and administered consistent with its status as a plan that is not subject to ERISA.

The Effective Date of the Prior Plan is July 1, 2000. The term EFFECTIVE DATE as used herein shall mean July 1, 2000. Subject to approval by the Company's stockholders pursuant to Section 7.1, the Plan will be amended and restated effective as of July 1, 2003. The Plan shall continue from the Effective Date, and will remain in effect, subject to the right of the Board to amend or terminate the Plan at any time pursuant to Section 7.7, until all Shares subject to the Plan have been purchased or acquired according to its provisions. However, in no event may an Incentive Award be granted under the Plan after the expiration of ten (10) years from the Effective Date.

1.2 DEFINITIONS

The following terms shall have the meanings set forth below:

(a) APPRECIATION. The difference between the option exercise price per share of the Nonstatutory Stock Option to which a Tandem SAR relates and the Fair Market Value of a share of Common Stock on the date of exercise of the Tandem SAR.

(b) AUTHORIZED OFFICER. The Chairman of the Board, the CEO or any other senior officer of the Company to whom either of them delegate the authority to execute any Incentive

Agreement for and on behalf of the Company. No officer or director shall be an Authorized Officer with respect to any Incentive Agreement for himself.

(c) BOARD. The Board of Directors of the Company.

(d) CAUSE. When used in connection with the termination of a Grantee's Employment, shall mean the termination of the Grantee's Employment by the Company or any Subsidiary by reason of (i) the conviction of the Grantee by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude or a felony; (ii) the proven commission by the Grantee of a material act of fraud upon the Company or any Subsidiary, or any customer or supplier thereof; (iii) the willful and proven misappropriation of any funds or property of the Company or any Subsidiary, or any customer or supplier thereof; (iv) the willful, continued and unreasonable failure by the Grantee to perform the material duties assigned to him which is not cured to the reasonable satisfaction of the Company within 30 days after written notice of such failure is provided to Grantee by the Board or a designated officer of the Company or a Subsidiary; (v) the knowing engagement by the Grantee in any direct and material conflict of interest with the Company or any Subsidiary without compliance with the Company's or Subsidiary's conflict of interest policy, if any, then in effect; or (vi) the knowing engagement by the Grantee, without the written approval of the Board, in any material activity which competes with the business of the Company or any Subsidiary or which would result in a material injury to the business, reputation or goodwill of the Company or any Subsidiary.

(e) CEO. The Chief Executive Officer of the Company.

(f) CHANGE IN CONTROL. Any of the events described in and subject to Section 6.7.

(g) CODE. The Internal Revenue Code of 1986, as amended, and the regulations and other authority promulgated thereunder by the appropriate governmental authority. References herein to any provision of the Code shall refer to any successor provision thereto.

(h) COMMITTEE. A committee appointed by the Board consisting of at least one member as appointed by the Board to administer the Plan. However, if the Company is a Publicly Held Corporation, the Plan shall be administered by a committee appointed by the Board consisting of not less than two directors who fulfill the "non-employee director" requirements of Rule 16b-3 under the Exchange Act and the "outside director" requirements of Section 162(m) of the Code. In either case, the Committee may be the Compensation Committee of the Board, or any subcommittee of the Compensation Committee, provided that the members of the Committee satisfy the requirements of the previous provisions of this paragraph.

The Board shall have the power to fill vacancies on the Committee arising by resignation, death, removal or otherwise. The Board, in its sole discretion, may bifurcate the powers and duties of the Committee among one or more separate committees, or retain all powers and duties of the Committee in a single Committee. The members of the Committee shall serve at the discretion of the Board.

Notwithstanding the preceding paragraphs of this Section 1.2(h), the term "Committee" as used in the Plan with respect to any Incentive Award for an Outside Director shall refer to the entire Board. In the case of an Incentive Award for an Outside Director, the Board shall have all the powers and responsibilities of the Committee hereunder as to such Incentive Award, and any actions as to such Incentive Award may be acted upon only by the Board (unless it otherwise

designates in its discretion). When the Board exercises its authority to act in the capacity as the Committee hereunder with respect to an Incentive Award for an Outside Director, it shall so designate with respect to any action that it undertakes in its capacity as the Committee.

(i) COMMON STOCK. The common stock of the Company, \$.01 par value per share, and any class of common stock into which such common shares may hereafter be converted, reclassified or recapitalized.

(j) COMPANY. Internetwork Experts, Inc., a corporation organized under the laws of the State of Delaware and any successor in interest thereto.

(k) CONSULTANT. An independent agent, consultant, attorney, an individual who has agreed to become an Employee within the next six months, or any other individual who is not an Outside Director or employee of the Company (or any Parent or Subsidiary) and who, in the opinion of the Committee, is in a position to contribute to the growth or financial success of the Company (or any Parent or Subsidiary), (ii) is a natural person and (iii) provides bona fide services to the Company (or any Parent or Subsidiary), which services are not in connection with the offer or sale of securities in a capital raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities.

(l) COVERED EMPLOYEE. A named executive officer who is one of the group of covered employees, as defined in Section 162(m) of the Code and Treasury Regulation Section 1.162-27(c) (or its successor), during any such period that the Company is a Publicly Held Corporation.

(m) DEFERRED STOCK. Shares of Common Stock to be issued or transferred to a Grantee under an Other Stock-Based Award granted pursuant to Section 5 at the end of a specified deferral period, as set forth in the Incentive Agreement pertaining thereto.

(n) DISABILITY. As determined by the Committee in its discretion exercised in good faith, a physical or mental condition of the Employee that would entitle him to payment of disability income payments under the Company's long term disability insurance policy or plan for employees, as then effective, if any; or in the event that the Grantee is not covered, for whatever reason, under the Company's long-term disability insurance policy or plan, "Disability" means a permanent and total disability as defined in Section 22(e)(3) of the Code. A determination of Disability may be made by a physician selected or approved by the Committee and, in this respect, the Grantee shall submit to any reasonable examination by such physician upon request.

(o) EMPLOYEE. Any employee of the Company (or any Parent or Subsidiary) within the meaning of Section 3401(c) of the Code who, in the opinion of the Committee, is in a position to contribute to the growth, development or financial success of the Company (or any Parent or Subsidiary), including, without limitation, officers who are members of the Board.

(p) EMPLOYMENT. Employment by the Company (or any Parent or Subsidiary), or by any corporation issuing or assuming an Incentive Award in any transaction described in Section 424(a) of the Code, or by a parent corporation or a subsidiary corporation of such corporation issuing or assuming such Incentive Award, as the parent-subsidiary relationship shall be determined at the time of the corporate action described in Section 424(a) of the Code. In this regard, neither the transfer of a Grantee from Employment by the Company to Employment by any Parent or Subsidiary, nor the transfer of a Grantee from Employment by any Parent or Subsidiary to Employment by the Company, shall be deemed to be a termination of Employment

of the Grantee. Moreover, the Employment of a Grantee shall not be deemed to have been terminated because of an approved leave of absence from active Employment on account of temporary illness, authorized vacation or granted for reasons of professional advancement, education, health, or government service, or military leave, or during any period required to be treated as a leave of absence by virtue of any applicable statute, Company personnel policy or agreement. Whether an authorized leave of absence shall constitute termination of Employment hereunder shall be determined by the Committee in its discretion.

Unless otherwise provided in the Incentive Agreement, the term "Employment" for purposes of the Plan is also defined to include (i) compensatory or advisory services performed by a Consultant for the Company (or any Parent or Subsidiary) and (ii) membership on the Board by an Outside Director.

(q) EXCHANGE ACT. The Securities Exchange Act of 1934, as amended.

(r) FAIR MARKET VALUE. If the Company is not a Publicly Held Corporation at the time a determination of the Fair Market Value of the Common Stock is required to be made hereunder, the determination of Fair Market Value for purposes of the Plan shall be made by the Committee in its discretion. In this respect, the Committee may rely on such financial data, appraisals, valuations, experts, and other sources, in its discretion, as it deems advisable under the circumstances.

If the Company is a Publicly Held Corporation, the Fair Market Value of one share of Common Stock on the date in question is deemed to be (i) the closing sales price on the immediately preceding business day of a share of Common Stock as reported on the New York Stock Exchange or other principal securities exchange on which Shares are then listed or admitted to trading, or (ii) if not so reported, the average of the closing bid and asked prices for a Share on the immediately preceding business day as quoted on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), or (iii) if not quoted on NASDAQ, the average of the closing bid and asked prices for a Share as quoted by the National Quotation Bureau's "Pink Sheets" or the National Association of Securities Dealers' OTC Bulletin Board System. If there was no public trade of Common Stock on the date in question, Fair Market Value shall be determined by reference to the last preceding date on which such a trade was so reported.

(s) GRANTEE. Any Employee, Consultant or Outside Director who is granted an Incentive Award under the Plan.

(t) IMMEDIATE FAMILY. With respect to a Grantee, the Grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships.

(u) INCENTIVE AWARD. A grant of an award under the Plan to a Grantee, including any Nonstatutory Stock Option, Incentive Stock Option, Reload Options, Stock Appreciation Right, Restricted Stock Award, Performance Unit, Performance Share, or Other Stock-Based Award, as well as any Supplemental Payment.

(v) INCENTIVE AGREEMENT. The written agreement entered into between the Company and the Grantee setting forth the terms and conditions pursuant to which an Incentive Award is granted under the Plan, as such agreement is further defined in Section 6.1(a).

(w) INCENTIVE STOCK OPTION. A Stock Option granted by the Committee to an Employee under Section 2 which is designated by the Committee as an Incentive Stock Option and intended to qualify as an Incentive Stock Option under Section 422 of the Code.

(x) INDEPENDENT SAR. A Stock Appreciation Right described in Section 2.5.

(y) INSIDER. If the Company is a Publicly Held Corporation, an individual who is, on the relevant date, an officer, director or ten percent (10%) beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, all as defined under Section 16 of the Exchange Act.

(z) NONSTATUTORY STOCK OPTION. A Stock Option granted by the Committee to a Grantee under Section 2 that is not designated by the Committee as an Incentive Stock Option.

(aa) OPTION PRICE. The exercise price at which a Share may be purchased by the Grantee of a Stock Option.

(bb) OTHER STOCK-BASED AWARD. An award granted by the Committee to a Grantee under Section 5.1 that is valued in whole or in part by reference to, or is otherwise based upon, Common Stock.

(cc) OUTSIDE DIRECTOR. A member of the Board who is not, at the time of grant of an Incentive Award, an employee of the Company or any Parent or Subsidiary.

(dd) PARENT. Any corporation (whether now or hereafter existing) which constitutes a "parent" of the Company, as defined in Section 424(e) of the Code. .

(ee) PERFORMANCE-BASED AWARDS. An award granted by the Committee to the Grantee under Section 4 which may include Performance Shares or Performance Units.

(ff) PERFORMANCE-BASED EXCEPTION. The performance-based exception from the tax deductibility limitations of Section 162(m) of the Code, as prescribed in Code Section 162(m) and Treasury Regulation Section 1.162-27(e) (or its successor), which is applicable during such period that the Company is a Publicly Held Corporation.

(gg) PERFORMANCE PERIOD. A period of time determined by the Committee and set out in the Incentive Agreement over which performance is measured for the purpose of determining a Grantee's right to and the payment value of any Performance Unit, Performance Share or Other Stock-Based Award.

(hh) PERFORMANCE SHARE OR PERFORMANCE UNIT. An Incentive Award representing a contingent right to receive cash or shares of Common Stock (which may be Restricted Stock) at the end of a Performance Period and which, in the case of Performance Shares, is denominated in Common Stock, and, in the case of Performance Units, is denominated in cash values.

(ii) PLAN. Internetwork Experts, Inc. Incentive Plan, as set forth herein and as it may be amended from time to time.

(jj) PUBLICLY HELD CORPORATION. A corporation issuing any class of common equity securities required to be registered under Section 12 of the Exchange Act.

(kk) RESTRICTED STOCK. Shares of Common Stock issued or transferred to a Grantee pursuant to Section 3.

(ll) RESTRICTED STOCK AWARD. An authorization by the Committee to issue or transfer Restricted Stock to a Grantee.

(mm) RESTRICTION PERIOD. The period of time determined by the Committee and set forth in the Incentive Agreement during which the transfer of Restricted Stock by the Grantee is restricted.

(nn) RETIREMENT. The voluntary termination of Employment from the Company or any Parent or Subsidiary constituting retirement for age on any date after the Employee attains the normal retirement age of 65 years, or such other age as may be designated by the Committee in the Employee's Incentive Agreement.

(oo) SHARE. A share of the Common Stock of the Company.

(pp) SHARE POOL. The number of shares authorized for issuance under Section 1.4, as adjusted for awards and payouts under Section 1.5 and as adjusted for changes in corporate capitalization under Section 6.5.

(qq) SPREAD. The difference between the exercise price per Share specified in any Independent SAR grant and the Fair Market Value of a Share on the date of exercise of the Independent SAR.

(rr) STOCK APPRECIATION RIGHT OR SAR. A Tandem SAR described in Section 2.4 or an Independent SAR described in Section 2.5.

(ss) STOCK OPTION OR OPTION. Pursuant to Section 2, (i) an Incentive Stock Option granted to an Employee, or (ii) a Nonstatutory Stock Option granted to an Employee, Consultant or Outside Director, whereunder such option the Grantee has the right to purchase Shares of Common Stock. In accordance with Section 422 of the Code, only an Employee may be granted an Incentive Stock Option.

(tt) SUBSIDIARY. Any corporation (whether now or hereafter existing) which constitutes a "subsidiary" of the Company, as defined in Section 424(f) of the Code.

(uu) SUPPLEMENTAL PAYMENT. Any amount, as described in Sections 2.7, 3.4 and/or 4.2, that is dedicated to payment of income taxes which are payable by the Grantee resulting from an Incentive Award.

(vv) TANDEM SAR. A Stock Appreciation Right that is granted in connection with a related Stock Option pursuant to Section 2.4, the exercise of which shall require forfeiture of the right to purchase a Share under the related Stock Option (and when a Share is purchased under the Stock Option, the Tandem SAR shall similarly be canceled).

1.3 PLAN ADMINISTRATION

(a) AUTHORITY OF THE COMMITTEE. Except as may be limited by law and subject to the provisions herein, the Committee shall have full power to (i) select Grantees who shall

participate in the Plan; (ii) determine the sizes, duration and types of Incentive Awards; (iii) determine the terms and conditions of Incentive Awards and Incentive Agreements; (iv) determine whether any Shares subject to Incentive Awards will be subject to any restrictions on transfer; (v) construe and interpret the Plan and any Incentive Agreement or other agreement entered into under the Plan; and (vi) establish, amend, or waive rules for the Plan's administration. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan, including without limitation, correcting any defect, supplying any omission or reconciling any inconsistency in the Plan or any Incentive Agreement. The determinations of the Committee shall be final and binding.

(b) MEETINGS. The Committee shall designate a chairman from among its members who shall preside at all of its meetings, and shall designate a secretary, without regard to whether that person is a member of the Committee, who shall keep the minutes of the proceedings and all records, documents, and data pertaining to its administration of the Plan. Meetings shall be held at such times and places as shall be determined by the Committee and the Committee may hold telephonic meetings. The Committee may take any action otherwise proper under the Plan by the affirmative vote, taken with or without a meeting, of a majority of its members. The Committee may authorize any one or more of their members or any officer of the Company to execute and deliver documents on behalf of the Committee.

(c) DECISIONS BINDING. All determinations and decisions made by the Committee shall be made in its discretion pursuant to the provisions of the Plan, and shall be final, conclusive and binding on all persons including the Company, its shareholders, Employees, Grantees, and their estates and beneficiaries. The Committee's decisions and determinations with respect to any Incentive Award need not be uniform and may be made selectively among Incentive Awards and Grantees, whether or not such Incentive Awards are similar or such Grantees are similarly situated.

(d) MODIFICATION OF OUTSTANDING INCENTIVE AWARDS. Subject to the stockholder approval requirements of Section 7.7 if applicable, the Committee may, in its discretion, provide for the extension of the exercisability of an Incentive Award, accelerate the vesting or exercisability of an Incentive Award, eliminate or make less restrictive any restrictions contained in an Incentive Award, waive any restriction or other provisions of an Incentive Award, or otherwise amend or modify an Incentive Award in any manner that is either (i) not adverse to the Grantee to whom such Incentive Award was granted or (ii) consented to by such Grantee. With respect to an Incentive Award that is an incentive stock option (as described in Section 422 of the Code), no adjustment to such option shall be made to the extent constituting a "modification" within the meaning of Section 424(h)(3) of the Code unless otherwise agreed to by the optionee in writing.

(e) DELEGATION OF AUTHORITY. The Committee may delegate to designated officers or other employees of the Company any of its duties and authority under the Plan pursuant to such conditions or limitations as the Committee may establish from time to time; provided, however, if the Company is a Publicly Held Corporation, the Committee may not delegate to any person the authority to (i) grant Incentive Awards, or (ii) take any action which would contravene the requirements of Rule 16b-3 under the Exchange Act or the Performance-Based Exception under Section 162(m) of the Code.

(f) EXPENSES OF COMMITTEE. The Committee may employ legal counsel, including, without limitation, independent legal counsel and counsel regularly employed by the Company,

and other agents as the Committee may deem appropriate for the administration of the Plan. The Committee may rely upon any opinion or computation received from any such counsel or agent. All expenses incurred by the Committee in interpreting and administering the Plan, including, without limitation, meeting expenses and professional fees, shall be paid by the Company.

(g) INDEMNIFICATION. EACH PERSON WHO IS OR WAS A MEMBER OF THE COMMITTEE, OR OF THE BOARD, SHALL BE INDEMNIFIED BY THE COMPANY AGAINST AND FROM ANY DAMAGE, LOSS, LIABILITY, COST AND EXPENSE THAT MAY BE IMPOSED UPON OR REASONABLY INCURRED BY HIM IN CONNECTION WITH OR RESULTING FROM ANY CLAIM, ACTION, SUIT, OR PROCEEDING TO WHICH HE MAY BE A PARTY OR IN WHICH HE MAY BE INVOLVED BY REASON OF ANY ACTION TAKEN OR FAILURE TO ACT UNDER THE PLAN (INCLUDING SUCH INDEMNIFICATION FOR A PERSON'S OWN, SOLE, CONCURRENT OR JOINT NEGLIGENCE OR STRICT LIABILITY), EXCEPT FOR ANY SUCH ACT OR OMISSION CONSTITUTING WILLFUL MISCONDUCT OR GROSS NEGLIGENCE. SUCH PERSON SHALL BE INDEMNIFIED BY THE COMPANY FOR ALL AMOUNTS PAID BY HIM IN SETTLEMENT THEREOF, WITH THE COMPANY'S APPROVAL, OR PAID BY HIM IN SATISFACTION OF ANY JUDGMENT IN ANY SUCH ACTION, SUIT, OR PROCEEDING AGAINST HIM, PROVIDED HE SHALL GIVE THE COMPANY AN OPPORTUNITY, AT ITS OWN EXPENSE, TO HANDLE AND DEFEND THE SAME BEFORE HE UNDERTAKES TO HANDLE AND DEFEND IT ON HIS OWN BEHALF. THE FOREGOING RIGHT OF INDEMNIFICATION SHALL NOT BE EXCLUSIVE OF ANY OTHER RIGHTS OF INDEMNIFICATION TO WHICH SUCH PERSONS MAY BE ENTITLED UNDER THE COMPANY'S ARTICLES OR CERTIFICATE OF INCORPORATION OR BYLAWS, AS A MATTER OF LAW, OR OTHERWISE, OR ANY POWER THAT THE COMPANY MAY HAVE TO INDEMNIFY THEM OR HOLD THEM HARMLESS.

1.4 SHARES OF COMMON STOCK AVAILABLE FOR INCENTIVE AWARDS

Subject to adjustment under Section 6.5, there shall be available for Incentive Awards that are granted wholly or partly in Common Stock (including rights or Options that may be exercised for or settled in Common Stock) ten million (10,000,000) Shares of Common Stock. Not more than the total number of Shares reserved for issuance under the Plan (pursuant to the previous sentence) shall be available for any one of the following types of grants: Incentive Stock Options, Nonstatutory Stock Options, SAR, Restricted Stock, a payment of a Performance Share in Shares, a payout of a Performance Unit in Shares, a payout of an Other Stock-Based Award in Shares described in Section 5 (which includes, without limitation, Deferred Stock, purchase rights, shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. The number of Shares of Common Stock that are the subject of Incentive Awards under this Plan, that are forfeited or terminated, expire unexercised, are settled in cash in lieu of Common Stock or in a manner such that all or some of the Shares covered by an Incentive Award are not issued to a Grantee or are exchanged for Incentive Awards that do not involve Common Stock, shall again immediately become available for Incentive Awards hereunder. The Committee may from time to time adopt and observe such procedures concerning the counting of Shares against the Plan maximum as it may deem appropriate. The Board and the appropriate officers of the Company shall from time to time take whatever actions are necessary to

file any required documents with governmental authorities, stock exchanges and transaction reporting systems to ensure that Shares are available for issuance pursuant to Incentive Awards.

During any period that the Company is a Publicly Held Corporation, then unless and until the Committee determines that a particular Incentive Award granted to a Covered Employee is not intended to comply with the Performance-Based Exception, the following rules shall apply to grants of Incentive Awards to Covered Employees:

(a) Subject to adjustment as provided in Section 6.5, the maximum aggregate number of Shares of Common Stock (including Stock Options, SARs, Restricted Stock, Performance Units and Performance Shares paid out in Shares, or Other Stock-Based Awards paid out in Shares) that may be granted or that may vest, as applicable, in any calendar year pursuant to any Incentive Award held by any individual Covered Employee shall be 10,000,000 Shares.

(b) The maximum aggregate cash payout (including SARs, Performance Units and Performance Shares paid out in cash, or Other Stock-Based Awards paid out in cash) with respect to Incentive Awards granted in any calendar year which may be made to any Covered Employee shall be Twenty Million dollars (\$20,000,000).

(c) With respect to any Stock Option or Stock Appreciation Right granted to a Covered Employee that is canceled or repriced, the number of Shares subject to such Stock Option or Stock Appreciation Right shall continue to count against the maximum number of Shares that may be the subject of Stock Options or Stock Appreciation Rights granted to such Covered Employee hereunder and, in this regard, such maximum number shall be determined in accordance with Section 162(m) of the Code.

(d) The limitations of subsections (a), (b) and (c) above shall be construed and administered so as to comply with the Performance-Based Exception.

1.5 SHARE POOL ADJUSTMENTS FOR AWARDS AND PAYOUTS.

The following Incentive Awards and payouts shall reduce, on a one Share for one Share basis, the number of Shares authorized for issuance under the Share Pool:

- (a) Stock Option;
- (b) SAR (except a Tandem SAR);
- (c) Restricted Stock;
- (d) A payout of a Performance Share in Shares;
- (e) A payout of a Performance Unit in Shares; and
- (f) A payout of an Other Stock-Based Award in Shares.

The following transactions shall restore, on a one Share for one Share basis, the number of Shares authorized for issuance under the Share Pool:

(a) A Payout of an SAR, Tandem SAR, Restricted Stock Award, or Other Stock-Based Award in the form of cash;

(b) A cancellation, termination, expiration, forfeiture, or lapse for any reason (with the exception of the termination of a Tandem SAR upon exercise of the related Stock Option, or the termination of a related Stock Option upon exercise of the corresponding Tandem SAR) of any Shares subject to an Incentive Award; and

(c) Payment of an Option Price with previously acquired Shares or by withholding Shares which otherwise would be acquired on exercise (i.e., the Share Pool shall be increased by the number of Shares turned in or withheld as payment of the Option Price).

1.6 COMMON STOCK AVAILABLE.

The Common Stock available for issuance or transfer under the Plan shall be made available from Shares now or hereafter (a) held in the treasury of the Company, (b) authorized but unissued shares, or (c) shares to be purchased or acquired by the Company. No fractional shares shall be issued under the Plan; payment for fractional shares shall be made in cash.

1.7 PARTICIPATION

(a) ELIGIBILITY. The Committee shall from time to time designate those Employees, Consultants and/or Outside Directors, if any, to be granted Incentive Awards under the Plan, the type of Incentive Awards granted, the number of Shares, Stock Options, rights or units, as the case may be, which shall be granted to each such person, and any other terms or conditions relating to the Incentive Awards as it may deem appropriate to the extent consistent with the provisions of the Plan. A Grantee who has been granted an Incentive Award may, if otherwise eligible, be granted additional Incentive Awards at any time.

(b) INCENTIVE STOCK OPTION ELIGIBILITY. No Consultant or Outside Director shall be eligible for the grant of any Incentive Stock Option. In addition, no Employee shall be eligible for the grant of any Incentive Stock Option who owns or would own immediately before the grant of such Incentive Stock Option, directly or indirectly, stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company, or any Parent or Subsidiary. This restriction does not apply if, at the time such Incentive Stock Option is granted, the Incentive Stock Option exercise price is at least one hundred and ten percent (110%) of the Fair Market Value on the date of grant and the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the date of grant. For the purpose of the immediately preceding sentence, the attribution rules of Section 424(d) of the Code shall apply for the purpose of determining an Employee's percentage ownership in the Company or any Parent or Subsidiary. This paragraph shall be construed consistent with the requirements of Section 422 of the Code.

1.8 TYPES OF INCENTIVE AWARDS

The types of Incentive Awards under the Plan are Stock Options, Stock Appreciation Rights and Supplemental Payments as described in Section 2, Restricted Stock and Supplemental Payments as described in Section 3, Performance Units, Performance Shares and Supplemental Payments as described in Section 4, Other Stock-Based Awards and Supplemental Payments as described in Section 5, or any combination of the foregoing.

SECTION 2.

STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

2.1 GRANT OF STOCK OPTIONS

The Committee is authorized to grant (a) Nonstatutory Stock Options to Employees, Consultants and/or Outside Directors and (b) Incentive Stock Options to Employees only, in accordance with the terms and conditions of the Plan, and with such additional terms and conditions, not inconsistent with the Plan, as the Committee shall determine in its discretion. Successive grants may be made to the same Grantee whether or not any Stock Option previously granted to such person remains unexercised.

2.2 STOCK OPTION TERMS

(a) WRITTEN AGREEMENT. Each grant of a Stock Option shall be evidenced by a written Incentive Agreement. Among its other provisions, each Incentive Agreement shall set forth the extent to which the Grantee shall have the right to exercise the Stock Option following termination of the Grantee's Employment. Such provisions shall be determined in the discretion of the Committee, shall be included in the Grantee's Incentive Agreement, need not be uniform among all Stock Options issued pursuant to the Plan.

(b) NUMBER OF SHARES. Each Stock Option shall specify the number of Shares of Common Stock to which it pertains.

(c) EXERCISE PRICE. The exercise price per Share of Common Stock under each Stock Option shall be determined by the Committee; provided, however, that in the case of an Incentive Stock Option, such exercise price shall not be less than 100% of the Fair Market Value per Share on the date the Incentive Stock Option is granted (110% for 10% or greater shareholders pursuant to Section 1.7(b)). To the extent that the Company is a Publicly Held Corporation and the Stock Option is intended to qualify for the Performance-Based Exception, the exercise price shall not be less than 100% of the Fair Market Value per Share on the date the Stock Option is granted. Each Stock Option shall specify the method of exercise which shall be consistent with the requirements of Section 2.3(a).

(d) TERM. In the Incentive Agreement, the Committee shall fix the term of each Stock Option which shall be not more than ten (10) years from the date of grant (five years for ISO grants to 10% or greater shareholders pursuant to Section 1.7(b)). In the event no term is fixed, such term shall be ten (10) years from the date of grant.

(e) EXERCISE. The Committee shall determine the time or times at which a Stock Option may be exercised in whole or in part. Each Stock Option may specify the required period of continuous Employment and/or the performance objectives to be achieved before the Stock Option or portion thereof will become exercisable. Each Stock Option, the exercise of which, or the timing of the exercise of which, is dependent, in whole or in part, on the achievement of designated performance objectives, may specify a minimum level of achievement in respect of the specified performance objectives below which no Stock Options will be exercisable and a method for determining the number of Stock Options that will be exercisable if performance is at or above such minimum but short of full achievement of the performance objectives. All such terms and conditions shall be set forth in the Incentive Agreement.

(f) \$100,000 ANNUAL LIMIT ON INCENTIVE STOCK OPTIONS.

Notwithstanding any contrary provision in the Plan, to the extent that the aggregate Fair Market Value (determined as of the time the Incentive Stock Option is granted) of the Shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Grantee during any single calendar year (under the Plan and any other stock option plans of the Company and its Subsidiaries or Parent) exceeds the sum of \$100,000, such Incentive Stock Option shall be treated as a Nonstatutory Stock Option to the extent in excess of the \$100,000 limit, and not an Incentive Stock Option, but all other terms and provisions of such Stock Option shall remain unchanged. This paragraph shall be applied by taking Incentive Stock Options into account in the order in which they were granted and shall be construed in accordance with Section 422(d) of the Code. In the absence of such regulations or other authority, or if such regulations or other authority require or permit a designation of the Options which shall cease to constitute Incentive Stock Options, then such Incentive Stock Options, only to the extent of such excess, shall automatically be deemed to be Nonstatutory Stock Options but all other terms and conditions of such Incentive Stock Options, and the corresponding Incentive Agreement, shall remain unchanged.

2.3 STOCK OPTION EXERCISES

(a) METHOD OF EXERCISE AND PAYMENT. Stock Options shall be exercised by the delivery of a signed written notice of exercise to the Company as of a date set by the Company in advance of the effective date of the proposed exercise. The notice shall set forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares.

The Option Price upon exercise of any Stock Option shall be payable to the Company in full either: (i) in cash or its equivalent, or (ii) subject to prior approval by the Committee in its discretion, by tendering previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the total Option Price (provided that the Shares which are tendered must have been held by the Grantee for at least six (6) months prior to their tender to satisfy the Option Price), or (iii) subject to prior approval by the Committee in its discretion, by withholding Shares which otherwise would be acquired on exercise having an aggregate Fair Market Value at the time of exercise equal to the total Option Price, or (iv) subject to prior approval by the Committee in its discretion, by a combination of (i), (ii), and (iii) above. Any payment in Shares of Common Stock shall be effected by the delivery of such Shares to the Secretary of the Company, duly endorsed in blank or accompanied by stock powers duly executed in blank, together with any other documents as the Secretary or Committee may require from time to time.

The Committee, in its discretion, also may allow the Option Price to be paid with such other consideration as shall constitute lawful consideration for the issuance of Shares (including, without limitation, effecting a "cashless exercise" with a broker of the Option), subject to applicable securities law restrictions and tax withholdings, or by any other means which the Committee determines to be consistent with the Plan's purpose and applicable law. A "cashless exercise" of an Option is a procedure by which a broker provides the funds to the Grantee to effect an Option exercise, to the extent consented to by the Committee in its discretion. At the direction of the Grantee, the broker will either (i) sell all of the Shares received when the Option is exercised and pay the Grantee the proceeds of the sale (minus the Option Price, withholding taxes and any fees due to the broker) or (ii) sell enough of the Shares received upon exercise of the Option to cover the Option Price, withholding taxes and any fees due the broker and deliver to the Grantee (either directly or through the Company) a stock certificate for the remaining Shares. Dispositions to a broker effecting a cashless exercise are not exempt under Section 16 of the

Exchange Act (if the Company is a Publicly Held Corporation). In no event will the Committee allow the Option Price to be paid with a form of consideration, including a loan or cashless exercise, if such form of consideration would violate the Sarbanes-Oxley Act of 2002 as determined by the Committee in its discretion.

In the discretion of the Committee, an Option may be exercised by a broker-dealer acting on behalf of the Grantee if (i) the broker-dealer has received from the Grantee a duly endorsed Incentive Agreement evidencing such Option and instructions signed by the Grantee requesting the Company to deliver the shares of Common Stock subject to such Option to the broker-dealer on behalf of the Grantee and specifying the account into which such shares should be deposited, (ii) adequate provision has been made with respect to the payment of any withholding taxes due upon such exercise, and (iii) the broker-dealer and the Grantee have otherwise complied with Section 220.3(e)(4) of Regulation T, 12 CFR Part 220 (or its successor).

As soon as practicable after receipt of a written notification of exercise and full payment, the Company shall deliver, or cause to be delivered, to or on behalf of the Grantee, in the name of the Grantee or other appropriate recipient, Share certificates for the number of Shares purchased under the Stock Option. Such delivery shall be effected for all purposes when the Company or a stock transfer agent of the Company shall have deposited such certificates in the United States mail, addressed to Grantee or other appropriate recipient.

Subject to Section 6.2, during the lifetime of a Grantee, each Option granted to him shall be exercisable only by the Grantee (or his legal guardian in the event of his Disability) or by a broker-dealer acting on his behalf pursuant to a cashless exercise under the foregoing provisions of this Section 2.3(a).

(b) RESTRICTIONS ON SHARE TRANSFERABILITY. The Committee may impose such restrictions on any grant of Stock Option or on any Shares acquired pursuant to the exercise of a Stock Option as it may deem advisable, including, without limitation, restrictions under (i) any stockholders' agreement, buy/sell agreement, stockholders' agreement, right of first refusal, non-competition, and any other agreement between the Company and any of its securities holders or employees, (ii) any applicable federal securities laws, (iii) the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, or (iv) any blue sky or state securities law applicable to such Shares. Any certificate issued to evidence Shares issued upon the exercise of an Incentive Award may bear such legends and statements as the Committee shall deem advisable to assure compliance with federal and state laws and regulations.

Any Grantee or other person exercising an Incentive Award may be required by the Committee to give a written representation that the Incentive Award and the Shares subject to the Incentive Award will be acquired for investment and not with a view to public distribution; provided, however, that the Committee, in its sole discretion, may release any person receiving an Incentive Award from any such representations either prior to or subsequent to the exercise of the Incentive Award.

(c) NOTIFICATION OF DISQUALIFYING DISPOSITION OF SHARES FROM INCENTIVE STOCK OPTIONS. Notwithstanding any other provision of the Plan, a Grantee who disposes of Shares of Common Stock acquired upon the exercise of an Incentive Stock Option by a sale or exchange either (i) within two (2) years after the date of the grant of the Incentive Stock Option under which the Shares were acquired or (ii) within one (1) year after the transfer of such Shares to him pursuant to exercise, shall promptly notify the Company of such disposition, the amount realized and his adjusted basis in such Shares.

(d) PROCEEDS OF OPTION EXERCISE. The proceeds received by the Company from the sale of Shares pursuant to Stock Options exercised under the Plan shall be used for general corporate purposes.

2.4 STOCK APPRECIATION RIGHTS IN TANDEM WITH NONSTATUTORY STOCK OPTIONS

(a) GRANT. The Committee may, at the time of grant of a Nonstatutory Stock Option, or at any time thereafter during the term of the Nonstatutory Stock Option, grant Stock Appreciation Rights with respect to all or any portion of the Shares of Common Stock covered by such Nonstatutory Stock Option. A Stock Appreciation Right in tandem with a Nonstatutory Stock Option is referred to herein as a "TANDEM SAR."

(b) GENERAL PROVISIONS. The terms and conditions of each Tandem SAR shall be evidenced by an Incentive Agreement. The Option Price per Share of a Tandem SAR shall be fixed in the Incentive Agreement and shall not be less than one hundred percent (100%) of the Fair Market Value of a Share on the grant date of the Nonstatutory Stock Option to which it relates.

(c) EXERCISE. A Tandem SAR may be exercised at any time the Nonstatutory Stock Option to which it relates is then exercisable, but only to the extent such Nonstatutory Stock Option is exercisable, and shall otherwise be subject to the conditions applicable to such Nonstatutory Stock Option. When a Tandem SAR is exercised, the Nonstatutory Stock Option to which it relates shall terminate to the extent of the number of Shares with respect to which the Tandem SAR is exercised. Similarly, when a Nonstatutory Stock Option is exercised, the Tandem SARs relating to the Shares covered by such Nonstatutory Stock Option exercise shall terminate. Any Tandem SAR which is outstanding on the last day of the term of the related Nonstatutory Stock Option shall be automatically exercised on such date for cash, without the need for any action by the Grantee, to the extent of any Appreciation.

(d) SETTLEMENT. Upon exercise of a Tandem SAR, the holder shall receive, for each Share with respect to which the Tandem SAR is exercised, an amount equal to the Appreciation. The Appreciation shall be payable in cash, Common Stock, or a combination of both, as specified in the Incentive Agreement (or in the discretion of the Committee if not so specified). The Appreciation shall be paid within 30 calendar days of the exercise of the Tandem SAR. The number of Shares of Common Stock which shall be issuable upon exercise of a Tandem SAR shall be determined by dividing (1) by (2), where (1) is the number of Shares as to which the Tandem SAR is exercised multiplied by the Appreciation in such shares and (2) is the Fair Market Value of a Share on the exercise date.

2.5 STOCK APPRECIATION RIGHTS INDEPENDENT OF NONSTATUTORY STOCK OPTIONS

(a) GRANT. The Committee may grant Stock Appreciation Rights independent of Nonstatutory Stock Options ("INDEPENDENT SARs").

(b) GENERAL PROVISIONS. The terms and conditions of each Independent SAR shall be evidenced by an Incentive Agreement. The exercise price per share of Common Stock shall be not less than one hundred percent (100%) of the Fair Market Value of a Share of Common Stock on the date of grant of the Independent SAR. The term of an Independent SAR shall be determined by the Committee.

(c) EXERCISE. Independent SARs shall be exercisable at such time and subject to such terms and conditions as the Committee shall specify in the Incentive Agreement for the Independent SAR grant.

(d) SETTLEMENT. Upon exercise of an Independent SAR, the holder shall receive, for each Share specified in the Independent SAR grant, an amount equal to the Spread. The Spread shall be payable in cash, Common Stock, or a combination of both, in the discretion of the Committee or as specified in the Incentive Agreement. The Spread shall be paid within 30 calendar days of the exercise of the Independent SAR. The number of Shares of Common Stock which shall be issuable upon exercise of an Independent SAR shall be determined by dividing (1) by (2), where (1) is the number of Shares as to which the Independent SAR is exercised multiplied by the Spread in such Shares and (2) is the Fair Market Value of a Share on the exercise date.

2.6 SUPPLEMENTAL PAYMENT ON EXERCISE OF NONSTATUTORY STOCK OPTIONS OR STOCK APPRECIATION RIGHTS

The Committee, either at the time of grant or as of the time of exercise of any Nonstatutory Stock Option or Stock Appreciation Right, may provide in the Incentive Agreement for a Supplemental Payment by the Company to the Grantee with respect to the exercise of any Nonstatutory Stock Option or Stock Appreciation Right. The Supplemental Payment shall be in the amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the exercise of the Nonstatutory Stock Option and/or Stock Appreciation Right and the receipt of the Supplemental Payment, assuming the holder is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as deemed appropriate by the Committee. The Committee shall have the discretion to grant Supplemental Payments that are payable solely in cash or Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 3.

RESTRICTED STOCK

3.1 AWARD OF RESTRICTED STOCK

(a) GRANT. In consideration of the performance of Employment by any Grantee who is an Employee, Consultant or Outside Director, Shares of Restricted Stock may be awarded under the Plan by the Committee with such restrictions during the Restriction Period as the Committee may designate in its discretion, any of which restrictions may differ with respect to each particular Grantee. Restricted Stock shall be awarded for no additional consideration or such additional consideration as the Committee may determine, which consideration may be less than, equal to or more than the Fair Market Value of the shares of Restricted Stock on the grant date. The terms and conditions of each grant of Restricted Stock shall be evidenced by an Incentive Agreement.

(b) IMMEDIATE TRANSFER WITHOUT IMMEDIATE DELIVERY OF RESTRICTED STOCK. Unless otherwise specified in the Grantee's Incentive Agreement, each Restricted Stock Award shall constitute an immediate transfer of the record and beneficial ownership of the Shares of Restricted Stock to the Grantee in consideration of the performance of services as an Employee, Consultant or Outside Director, as applicable, entitling such Grantee to all voting and other ownership rights in such Shares.

As specified in the Incentive Agreement, a Restricted Stock Award may limit the Grantee's dividend rights during the Restriction Period in which the shares of Restricted Stock are subject to a "substantial risk of forfeiture" (within the meaning given to such term under Code Section 83) and restrictions on transfer. In the Incentive Agreement, the Committee may apply any restrictions to the dividends that the Committee deems appropriate. Without limiting the generality of the preceding sentence, if the grant or vesting of Shares of Restricted Stock granted to a Covered Employee, if applicable, is designed to comply with the requirements of the Performance-Based Exception, the Committee may apply any restrictions it deems appropriate to the payment of dividends declared with respect to such Shares of Restricted Stock, such that the dividends and/or the Shares of Restricted Stock maintain eligibility for the Performance-Based Exception. In the event that any dividend constitutes a derivative security or an equity security pursuant to the rules under Section 16 of the Exchange Act, if applicable, such dividend shall be subject to a vesting period equal to the remaining vesting period of the Shares of Restricted Stock with respect to which the dividend is paid.

Shares awarded pursuant to a grant of Restricted Stock may be issued in the name of the Grantee and held, together with a stock power endorsed in blank, by the Committee or Company (or their delegates) or in trust or in escrow pursuant to an agreement satisfactory to the Committee, as determined by the Committee, until such time as the restrictions on transfer have expired. All such terms and conditions shall be set forth in the particular Grantee's Incentive Agreement. The Company or Committee (or their delegates) shall issue to the Grantee a receipt evidencing the certificates held by it which are registered in the name of the Grantee.

3.2 RESTRICTIONS

(a) FORFEITURE OF RESTRICTED STOCK. Restricted Stock awarded to a Grantee may be subject to the following restrictions until the expiration of the Restriction Period: (i) a restriction that constitutes a "substantial risk of forfeiture" (as defined in Code Section 83), or a restriction on transferability; (ii) unless otherwise specified by the Committee in the Incentive Agreement, the Restricted Stock that is subject to restrictions which are not satisfied shall be forfeited and all rights of the Grantee to such Shares shall terminate; and (iii) any other restrictions that the Committee determines in advance are appropriate, including, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Stock to a continuing substantial risk of forfeiture in the hands of any transferee. Any such restrictions shall be set forth in the particular Grantee's Incentive Agreement.

(b) ISSUANCE OF CERTIFICATES. Reasonably promptly after the date of grant with respect to Shares of Restricted Stock, the Company shall cause to be issued a stock certificate, registered in the name of the Grantee to whom such Shares of Restricted Stock were granted, evidencing such Shares; provided, however, that the Company shall not cause to be issued such a stock certificate unless it has received a stock power duly endorsed in blank with respect to such Shares. Each such stock certificate shall bear the following legend or any other legend approved by the Company:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS (INCLUDING FORFEITURE AND RESTRICTIONS AGAINST TRANSFER) CONTAINED IN THE INTERNETWORK EXPERTS, INC. INCENTIVE PLAN AND AN INCENTIVE AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER OF SUCH SHARES AND INTERNETWORK EXPERTS, INC. A COPY OF THE PLAN AND INCENTIVE AGREEMENT ARE ON FILE IN THE CORPORATE OFFICES OF INTERNETWORK EXPERTS, INC.

Such legend shall not be removed from the certificate evidencing such Shares of Restricted Stock until such Shares vest pursuant to the terms of the Incentive Agreement.

(c) REMOVAL OF RESTRICTIONS. The Committee, in its discretion, shall have the authority to remove any or all of the restrictions on the Restricted Stock if it determines that, by reason of a change in applicable law or another change in circumstance arising after the grant date of the Restricted Stock, such action is appropriate.

3.3 DELIVERY OF SHARES OF COMMON STOCK

Subject to withholding taxes under Section 7.3 and to the terms of the Incentive Agreement, a stock certificate evidencing the Shares of Restricted Stock with respect to which the restrictions in the Incentive Agreement have been satisfied shall be delivered to the Grantee or other appropriate recipient free of restrictions. Such delivery shall be effected for all purposes when the Company shall have deposited such certificate in the United States mail, addressed to the Grantee or other appropriate recipient.

3.4 SUPPLEMENTAL PAYMENT ON VESTING OF RESTRICTED STOCK

The Committee, either at the time of grant or vesting of Restricted Stock, may provide for a Supplemental Payment by the Company to the holder in an amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the vesting of the Restricted Stock and receipt of the Supplemental Payment, assuming the Grantee is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as deemed appropriate by the Committee. The Committee shall have the discretion to grant Supplemental Payments that are payable solely in cash or Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 4.

PERFORMANCE UNITS AND PERFORMANCE SHARES

4.1 PERFORMANCE BASED AWARDS

(a) GRANT. The Committee is authorized to grant Performance-Based Awards consisting of Performance Units and Performance Shares to selected Grantees who are Employees, Outside Directors or Consultants. Each grant of Performance Units and/or Performance Shares shall be evidenced by an Incentive Agreement in such amounts and upon such terms as shall be determined by the Committee. The Committee may make grants of Performance Units or Performance Shares in such a manner that more than one Performance Period is in progress concurrently. For each Performance Period, the Committee shall establish the number of Performance Units or Performance Shares and their contingent values which may

vary depending on the degree to which performance criteria established by the Committee are met.

(b) PERFORMANCE CRITERIA. The Committee may establish performance goals applicable to Performance-Based Awards based upon criteria in one or more of the following categories: (i) performance of the Company as a whole, (ii) performance of a segment of the Company's business, and (iii) individual performance. Performance criteria for the Company shall relate to the achievement of predetermined financial objectives for the Company and its Subsidiaries on a consolidated basis. Performance criteria for a segment of the Company's business shall relate to the achievement of financial and operating objectives of the segment for which the participant is accountable. Examples of performance criteria shall include (but are not limited to) pre-tax or after-tax profit levels, including: earnings per share, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, net operating profits after tax, and net income; total stockholder return; return on assets, equity, capital or investment; cash flow and cash flow return on investment; economic value added and economic profit; growth in earnings per share; levels of operating expense and maintenance expense or measures of customer satisfaction and customer service as determined from time to time including the relative improvement therein. Individual performance criteria shall relate to a participant's overall performance, taking into account, among other measures of performance, the attainment of individual goals and objectives. The performance goals may differ among participants.

(c) MODIFICATION. If the Committee determines, in its discretion exercised in good faith, that the established performance measures or objectives are no longer suitable to the Company's objectives because of a change in the Company's business, operations, corporate structure, capital structure, or other conditions the Committee deems to be appropriate, the Committee may modify the performance measures and objectives to the extent it considers such modification to be necessary. The Committee shall not permit any such modification that would cause the Performance-Based Awards to fail to qualify for the Performance-Based Exception, if applicable.

(d) PAYMENT. The basis for payment of Performance-Based Awards for a given Performance Period shall be the achievement of those performance objectives determined by the Committee at the beginning of the Performance Period as specified in the Grantee's Incentive Agreement. If minimum performance is not achieved for a Performance Period, no payment shall be made and all contingent rights shall cease. If minimum performance is achieved or exceeded, the number of Performance-Based Awards may be based on the degree to which actual performance exceeded the pre-established minimum performance standards. The amount of payment shall be determined by multiplying the number of Performance-Based Awards granted at the beginning of the Performance Period times the final Performance Award value. Payments shall be made, in the discretion of the Committee as specified in the Incentive Agreement.

(e) SPECIAL RULE FOR COVERED EMPLOYEES. No later than the ninetieth (90th) day following the beginning of a Performance Period (or twenty-five percent (25%) of the Performance Period) the Committee shall establish performance goals as described in Section 4.1 applicable to Performance-Based Awards awarded to Covered Employees in such a manner as shall permit payments with respect thereto to qualify for the Performance-Based Exception, if applicable. If a Performance Award granted to a Covered Employee is intended to comply with the Performance-Based Exception, the Committee in establishing

performance goals shall comply with Treasury Regulation Section 1.162-27(e)(2) (or its successor). As soon as practicable following the Company's determination of the Company's financial results for any Performance Period, the Committee shall certify in writing: (i) whether the Company achieved its minimum performance for the objectives for the Performance Period, (ii) the extent to which the Company achieved its performance objectives for the Performance Period, (iii) any other terms that are material to the grant of Performance-Based Awards, and (iv) the calculation of the payments, if any, to be paid to each Grantee for the Performance Period.

4.2 SUPPLEMENTAL PAYMENT ON VESTING OF PERFORMANCE UNITS OR PERFORMANCE SHARES

The Committee, either at the time of grant or at the time of vesting of Performance Units or Performance Shares, may provide for a Supplemental Payment by the Company to the Grantee in an amount specified by the Committee, which amount shall not exceed the amount necessary to pay the federal and state income tax payable with respect to both the vesting of such Performance Units or Performance Shares and receipt of the Supplemental Payment, assuming the Grantee is taxed at either the maximum effective income tax rate applicable thereto or at a lower tax rate as seemed appropriate by the Committee. The Committee shall have the discretion to grant Supplemental Payments that are payable in cash, Common Stock, or a combination of both, as determined by the Committee at the time of payment.

SECTION 5.

OTHER STOCK-BASED AWARDS

5.1 GRANT OF OTHER STOCK-BASED AWARDS

Other Stock-Based Awards may be awarded by the Committee to selected Grantees that are denominated or payable in, valued in whole or in part by reference to, or otherwise related to, Shares of Common Stock, as deemed by the Committee to be consistent with the purposes of the Plan and the goals of the Company. Other types of Stock-Based Awards include, without limitation, Deferred Stock, purchase rights, Shares of Common Stock awarded which are not subject to any restrictions or conditions, convertible or exchangeable debentures, other rights convertible into Shares, Incentive Awards valued by reference to the value of securities of or the performance of a specified Subsidiary, division or department, and settlement in cancellation of rights of any person with a vested interest in any other plan, fund, program or arrangement that is or was sponsored, maintained or participated in by the Company or any Parent or Subsidiary. As is the case with other Incentive Awards, Other Stock-Based Awards may be awarded either alone or in addition to or in tandem with any other Incentive Awards.

5.2 OTHER STOCK-BASED AWARD TERMS

(a) WRITTEN AGREEMENT. The terms and conditions of each grant of an Other Stock-Based Award shall be evidenced by an Incentive Agreement.

(b) PURCHASE PRICE. Except to the extent that an Other Stock-Based Award is granted in substitution for an outstanding Incentive Award or is delivered upon exercise of a Stock Option, the amount of consideration required to be received by the Company shall be either (i) no consideration other than services actually rendered (in the case of authorized and unissued shares) or to be rendered, or (ii) in the case of an Other Stock-Based Award in the nature of a purchase right, consideration (other than services rendered or to be rendered) at least equal to

50% of the Fair Market Value of the Shares covered by such grant on the date of grant (or such percentage higher than 50% that is required by any applicable tax or securities law).

(c) PERFORMANCE CRITERIA AND OTHER TERMS. In its discretion, the Committee may specify such criteria, periods or goals for vesting in Other Stock-Based Awards and payment thereof to the Grantee as it shall determine; and the extent to which such criteria, periods or goals have been met shall be determined by the Committee. All terms and conditions of Other Stock-Based Awards shall be determined by the Committee and set forth in the Incentive Agreement. The Committee may also provide for a Supplemental Payment similar to such payment as described in Section 4.2.

(d) PAYMENT. Other Stock-Based Awards may be paid in Shares of Common Stock or other consideration related to such Shares, in a single payment or in installments on such dates as determined by the Committee, all as specified in the Incentive Agreement.

(e) DIVIDENDS. The Grantee of an Other Stock-Based Award shall be entitled to receive, currently or on a deferred basis, dividends or dividend equivalents with respect to the number of Shares covered by the Other Stock-Based Award only to the extent as determined by the Committee and set forth in the Incentive Agreement. The Committee may also provide in the Incentive Agreement that such amounts (if any) shall be deemed to have been reinvested in additional Shares of Common Stock.

SECTION 6.

PROVISIONS RELATING TO PLAN PARTICIPATION

6.1 PLAN CONDITIONS

(a) INCENTIVE AGREEMENT. Each Grantee to whom an Incentive Award is granted shall be required to enter into an Incentive Agreement with the Company, in such a form as is provided by the Committee. The Incentive Agreement shall contain specific terms as determined by the Committee, in its discretion, with respect to the Grantee's particular Incentive Award. Such terms need not be uniform among all Grantees or any similarly-situated Grantees. The Incentive Agreement may include, without limitation, vesting, forfeiture and other provisions particular to the particular Grantee's Incentive Award, as well as, for example, provisions to the effect that the Grantee (i) shall not disclose any confidential information acquired during Employment with the Company, (ii) shall abide by all the terms and conditions of the Plan and such other terms and conditions as may be imposed by the Committee, (iii) shall not interfere with the employment or other service of any employee, (iv) shall not compete with the Company or become involved in a conflict of interest with the interests of the Company, (v) shall forfeit an Incentive Award if terminated for Cause, (vi) shall not be permitted to make an election under Section 83(b) of the Code when applicable, and (vii) shall be subject to any other agreement between the Grantee and the Company regarding Shares that may be acquired under an Incentive Award including, without limitation, a stockholders' agreement or other agreement restricting the transferability of Shares by Grantee. An Incentive Agreement shall include such terms and conditions as are determined by the Committee, in its discretion, to be appropriate with respect to any individual Grantee. The Incentive Agreement shall be signed by the Grantee to whom the Incentive Award is made and by an Authorized Officer.

(b) NO RIGHT TO EMPLOYMENT. Nothing in the Plan or any instrument executed pursuant to the Plan shall create any Employment rights (including without limitation, rights to continued Employment) in any Grantee or affect the right of the Company to terminate the Employment of any Grantee at any time without regard to the existence of the Plan.

(c) SECURITIES REQUIREMENTS. The Company shall be under no obligation to effect the registration pursuant to the Securities Act of 1933 of any Shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, the Company shall not be obligated to cause to be issued or delivered any certificates evidencing Shares pursuant to the Plan unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities, and the requirements of any securities exchange on which Shares are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing Shares of Common Stock pursuant to the terms hereof, that the recipient of such Shares make such covenants, agreements and representations, and that such certificates bear such legends, as the Committee, in its discretion, deems necessary or desirable.

If the Shares issuable on exercise of an Incentive Award are not registered under the Securities Act of 1933, the Company may imprint on the certificate for such Shares the following legend or any other legend which counsel for the Company considers necessary or advisable to comply with the Securities Act of 1933:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT UPON SUCH REGISTRATION OR UPON RECEIPT BY THE CORPORATION OF AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION, IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION, THAT REGISTRATION IS NOT REQUIRED FOR SUCH SALE OR TRANSFER.

6.2 TRANSFERABILITY

Incentive Awards granted under the Plan shall not be transferable or assignable other than: (a) by will or the laws of descent and distribution or (b) pursuant to a qualified domestic relations order (as defined by Section 414(p) of the Code); provided, however, only with respect to Incentive Awards consisting of Nonstatutory Stock Options, the Committee may, in its discretion, authorize all or a portion of the Nonstatutory Stock Options to be granted on terms which permit transfer by the Grantee to (i) the members of the Grantee's Immediate Family, (ii) a trust or trusts for the exclusive benefit of such Immediate Family, (iii) a partnership in which such members of such Immediate Family are the only partners, or (iv) any other entity owned solely by members of the Immediate Family; provided that (A) there may be no consideration for any such transfer, (B) the Incentive Agreement pursuant to which such Nonstatutory Stock Options are granted must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section 6.2, and (C) subsequent transfers of transferred Nonstatutory Stock Options shall be prohibited except in accordance with clauses (a) and (b) (above) of this sentence. Following any permitted transfer, the Nonstatutory Stock Option shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the term "Grantee" shall be deemed to refer to the transferee. The events of termination of employment, as set out in Section 6.6 and in the Incentive Agreement, shall continue to be applied with respect to the

original Grantee, and the Incentive Award shall be exercisable by the transferee only to the extent, and for the periods, specified in the Incentive Agreement.

Except as may otherwise be permitted under the Code, in the event of a permitted transfer of a Nonstatutory Stock Option hereunder, the original Grantee shall remain subject to withholding taxes upon exercise. In addition, the Company and the Committee shall have no obligation to provide any notices to any Grantee or transferee thereof, including, for example, notice of the expiration of an Incentive Award following the original Grantee's termination of employment.

No transfer by will or by the laws of descent and distribution shall be effective to bind the Company unless the Committee has been furnished with a copy of the deceased Grantee's enforceable will or such other evidence as the Committee deems necessary to establish the validity of the transfer. Any attempted transfer in violation of this Section 6.2 shall be void and ineffective. All determinations under this Section 6.2 shall be made by the Committee in its discretion.

6.3 RIGHTS AS A STOCKHOLDER

(a) NO STOCKHOLDER RIGHTS. Except as otherwise provided in Section 3.1(b) for grants of Restricted Stock, a Grantee of an Incentive Award (or a permitted transferee of such Grantee) shall have no rights as a stockholder with respect to any Shares of Common Stock until the issuance of a stock certificate for such Shares.

(b) REPRESENTATION OF OWNERSHIP. In the case of the exercise of an Incentive Award by a person or estate acquiring the right to exercise such Incentive Award by reason of the death or Disability of a Grantee, the Committee may require reasonable evidence as to the ownership of such Incentive Award or the authority of such person and may require such consents and releases of taxing authorities as the Committee may deem advisable.

6.4 LISTING AND REGISTRATION OF SHARES OF COMMON STOCK

The exercise of any Incentive Award granted hereunder shall only be effective at such time as counsel to the Company shall have determined that the issuance and delivery of Shares of Common Stock pursuant to such exercise is in compliance with all applicable laws, regulations of governmental authorities and the requirements of any securities exchange on which Shares of Common Stock are traded. The Committee may, in its discretion, defer the effectiveness of any exercise of an Incentive Award in order to allow the issuance of Shares of Common Stock to be made pursuant to registration or an exemption from registration or other methods for compliance available under federal or state securities laws. The Committee shall inform the Grantee in writing of its decision to defer the effectiveness of the exercise of an Incentive Award. During the period that the effectiveness of the exercise of an Incentive Award has been deferred, the Grantee may, by written notice to the Committee, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

6.5 CHANGE IN STOCK AND ADJUSTMENTS

(a) CHANGES IN LAW OR CIRCUMSTANCES. Subject to Section 6.7 (which only applies in the event of a Change of Control), in the event of any change in applicable laws or any change in circumstances which results in or would result in any dilution of the rights granted under the Plan, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan, then, if the Committee should determine, in its absolute discretion, that such change equitably requires an adjustment in the number or kind of shares of stock or other

securities or property theretofore subject, or which may become subject, to issuance or transfer under the Plan or in the terms and conditions of outstanding Incentive Awards, such adjustment shall be made in accordance with such determination. Such adjustments may include changes with respect to (i) the aggregate number of Shares that may be issued under the Plan, (ii) the number of Shares subject to Incentive Awards, and (iii) the price per Share for outstanding Incentive Awards. Any adjustment under this paragraph of an outstanding Incentive Stock Option shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code unless otherwise agreed to by the Grantee in writing. The Committee shall give notice to each applicable Grantee of such adjustment which shall be effective and binding.

(b) EXERCISE OF CORPORATE POWERS. The existence of the Plan or outstanding Incentive Awards hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalization, reorganization or other changes in the Company's capital structure or its business or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stocks ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

(c) RECAPITALIZATION OF THE COMPANY. Subject to Section 6.7 (which only applies in the event of a Change in Control), if while there are Incentive Awards outstanding, the Company shall effect any subdivision or consolidation of Shares of Common Stock or other capital readjustment, the payment of a stock dividend, stock split, combination of Shares, recapitalization or other increase or reduction in the number of Shares outstanding, without receiving compensation therefor in money, services or property, then the number of Shares available under the Plan and the number of Incentive Awards which may thereafter be exercised shall (i) in the event of an increase in the number of Shares outstanding, be proportionately increased and the Fair Market Value of the Incentive Awards awarded shall be proportionately reduced; and (ii) in the event of a reduction in the number of Shares outstanding, be proportionately reduced, and the Fair Market Value of the Incentive Awards awarded shall be proportionately increased. The Committee shall take such action and whatever other action it deems appropriate, in its discretion, so that the value of each outstanding Incentive Award to the Grantee shall not be adversely affected by a corporate event described in this subsection (c).

(d) ISSUE OF COMMON STOCK BY THE COMPANY. Except as hereinabove expressly provided in this Section 6.5 and subject to Section 6.7 in the event of a Change in Control, the issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon any conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of, or Fair Market Value of, any Incentive Awards then outstanding under previously granted Incentive Awards; provided, however, in such event, outstanding Shares of Restricted Stock shall be treated the same as outstanding unrestricted Shares of Common Stock.

(e) ASSUMPTION UNDER THE PLAN OF OUTSTANDING STOCK OPTIONS. Notwithstanding any other provision of the Plan, the Committee, in its absolute discretion, may authorize the assumption and continuation under the Plan of outstanding and unexercised stock options or other types of stock-based incentive awards that were granted under a stock option plan (or other type

of stock incentive plan or agreement) that is or was maintained by a corporation or other entity that was merged into, consolidated with, or whose stock or assets were acquired by, the Company as the surviving corporation. Any such action shall be upon such terms and conditions as the Committee, in its discretion, may deem appropriate, including provisions to preserve the holder's rights under the previously granted and unexercised stock option or other stock-based incentive award, such as, for example, retaining an existing exercise price under an outstanding stock option. Any such assumption and continuation of any such previously granted and unexercised incentive award shall be treated as an outstanding Incentive Award under the Plan and shall thus count against the number of Shares reserved for issuance pursuant to Section 1.4. In addition, any Shares issued by the Company through the assumption or substitution of outstanding grants from an acquired company shall reduce the Shares available for grants under Section 1.4.

(f) ASSUMPTION OF INCENTIVE AWARDS BY A SUCCESSOR. Subject to the accelerated vesting and other provisions of Section 6.7 that apply in the event of a Change in Control, in the event of a Corporate Event (defined below), each Grantee shall be entitled to receive, in lieu of the number of Shares subject to Incentive Awards, such shares of capital stock or other securities or property as may be issuable or payable with respect to or in exchange for the number of Shares which Grantee would have received had he exercised the Incentive Award immediately prior to such Corporate Event, together with any adjustments (including, without limitation, adjustments to the Option Price and the number of Shares issuable on exercise of outstanding Stock Options). For this purpose, Shares of Restricted Stock shall be treated the same as unrestricted outstanding Shares of Common Stock. A "Corporate Event" means any of the following: (i) a dissolution or liquidation of the Company, (ii) a sale of all or substantially all of the Company's assets, or (iii) a merger, consolidation or combination involving the Company (other than a merger, consolidation or combination (A) in which the Company is the continuing or surviving corporation and (B) which does not result in the outstanding Shares being converted into or exchanged for different securities, cash or other property, or any combination thereof). The Committee shall take whatever other action it deems appropriate to preserve the rights of Grantees holding outstanding Incentive Awards.

Notwithstanding the previous paragraph of this Section 6.5(f), but subject to the accelerated vesting and other provisions of Section 6.7 that apply in the event of a Change in Control, the Committee, in its discretion, if it determines that such action is in the best interests of the Company, shall have the right and power to:

(i) cancel, effective immediately prior to the occurrence of the Corporate Event, each outstanding Incentive Award (whether or not then exercisable) and, in full consideration of such cancellation, pay to the Grantee an amount in cash equal to the excess of (A) the value, as determined by the Committee, of the property (including cash) received by the holders of Common Stock as a result of such Corporate Event over (B) the exercise price of such Incentive Award, if any; provided, however, this subsection (i) shall be inapplicable to an Incentive Award granted within six (6) months before the occurrence of the Corporate Event but only if the Grantee is an Insider and such disposition is not exempt under Rule 16b-3 (or other rules preventing liability of the Insider under Section 16(b) of the Exchange Act) and, in that event, the provisions hereof shall be applicable to such Incentive Award after the expiration of six (6) months from the date of grant; or

(ii) provide for the exchange of each Incentive Award outstanding immediately prior to such Corporate Event (whether or not then exercisable) for another

award with respect to the Common Stock or other property for which such Incentive Award is exchangeable and, incident thereto, make an equitable adjustment as determined by the Committee, in its discretion, in the exercise price of the Incentive Award, if any, or in the number of Shares or amount of property (including cash) subject to the Incentive Award.

The Committee, in its discretion, shall have the authority to take whatever action it deems to be necessary or appropriate to effectuate the provisions of this subsection (f).

6.6 TERMINATION OF EMPLOYMENT, DEATH, DISABILITY AND RETIREMENT

(a) TERMINATION OF EMPLOYMENT. Unless otherwise expressly provided in the Grantee's Incentive Agreement, if the Grantee's Employment is terminated for any reason other than due to his death, Disability, Retirement or for Cause, any non-vested portion of any Stock Option or other applicable Incentive Award at the time of such termination shall automatically expire and terminate and no further vesting shall occur after the termination date. In such event, except as otherwise expressly provided in his Incentive Agreement, the Grantee shall be entitled to exercise his rights only with respect to the portion of the Incentive Award that was vested as of his termination of Employment date for a period that shall end on the earlier of (i) the expiration date set forth in the Incentive Agreement or (ii) ninety (90) days (not exceeding 3 months in the case of a statutory stock option) after the date of his termination of Employment.

(b) TERMINATION OF EMPLOYMENT FOR CAUSE. Unless otherwise expressly provided in the Grantee's Incentive Agreement, in the event of the termination of a Grantee's Employment for Cause, all vested and non-vested Stock Options and other Incentive Awards granted to such Grantee shall immediately expire, and shall not be exercisable to any extent, as of 12:01 a.m. (CST) on the date of such termination of Employment.

(c) RETIREMENT. Unless otherwise expressly provided in the Grantee's Incentive Agreement, upon the termination of Employment due to the Retirement of any Employee who is a Grantee:

(i) any non-vested portion of any outstanding Option or other Incentive Award shall immediately terminate and no further vesting shall occur; and

(ii) any vested Option or other Incentive Award shall expire on the earlier of (A) the expiration date set forth in the Incentive Agreement for such Incentive Award; or (B) the expiration of (1) six months after the date of his termination of Employment due to Retirement in the case of any Incentive Award other than an Incentive Stock Option or (2) three months after his termination date in the case of an Incentive Stock Option.

(d) DISABILITY OR DEATH. Unless otherwise expressly provided in the Grantee's Incentive Agreement, upon termination of Employment as a result of the Grantee's Disability or death:

(i) any nonvested portion of any outstanding Option or other applicable Incentive Award shall immediately terminate upon termination of Employment and no further vesting shall occur; and

(ii) any vested Incentive Award shall expire on the earlier of either (A) the expiration date set forth in the Incentive Agreement or (B) the one year anniversary date of the Grantee's termination of Employment date.

In the case of any vested Incentive Stock Option held by an Employee following termination of Employment, notwithstanding the definition of "Disability" in Section 1.2, whether the Employee has incurred a "Disability" for purposes of determining the length of the Option exercise period following termination of Employment under this paragraph (d) shall be determined by reference to Section 22(e)(3) of the Code to the extent required by Section 422(c)(6) of the Code. The Committee shall determine whether a Disability for purposes of this subsection (d) has occurred.

(e) CONTINUATION. Subject to the conditions and limitations of the Plan and applicable law and regulation in the event that a Grantee ceases to be an Employee, Outside Director or Consultant, as applicable, for whatever reason, the Committee and Grantee may mutually agree with respect to any outstanding Option or other Incentive Award then held by the Grantee (i) for an acceleration or other adjustment in any vesting schedule applicable to the Incentive Award, (ii) for a continuation of the exercise period following termination for a longer period than is otherwise provided under such Incentive Award, or (iii) to any other change in the terms and conditions of the Incentive Award. In the event of any such change to an outstanding Incentive Award, a written amendment to the Grantee's Incentive Agreement shall be required.

6.7 CHANGE IN CONTROL

Notwithstanding any contrary provision in the Plan, in the event of a Change in Control (as defined below), the following actions shall automatically occur as of the day immediately preceding the Change in Control date unless expressly provided otherwise in the Grantee's Incentive Agreement:

(a) all of the Stock Options and Stock Appreciation Rights then outstanding shall become 100% vested and immediately and fully exercisable;

(b) all of the restrictions and conditions of any Restricted Stock and any Other Stock-Based Awards then outstanding shall be deemed satisfied, and the Restriction Period with respect thereto shall be deemed to have expired, and thus each such Incentive Award shall become free of all restrictions and fully vested; and

(c) all of the Performance Shares, Performance Units and any Other Stock-Based Awards shall become fully vested, deemed earned in full, and promptly paid within thirty (30) days to the affected Grantees without regard to payment schedules and notwithstanding that the applicable performance cycle, retention cycle or other restrictions and conditions have not been completed or satisfied.

Notwithstanding any other provision of this Plan, unless otherwise expressly provided in the Grantee's Incentive Agreement, the provisions of this Section 6.7 may not be terminated, amended, or modified to adversely affect any Incentive Award theretofore granted under the Plan without the prior written consent of the Grantee with respect to his outstanding Incentive Awards subject, however, to the last paragraph of this Section 6.7.

For all purposes of this Plan, a "CHANGE IN CONTROL" of the Company means the occurrence of any one or more of the following events:

(a) The acquisition by any individual, entity or group (within the meaning of 14(d)(2) of the Exchange Act (a "PERSON")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (the "OUTSTANDING COMPANY STOCK") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "OUTSTANDING COMPANY VOTING SECURITIES"); provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company or any Subsidiary, (ii) any acquisition by the Company or any Subsidiary or by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (iii) any acquisition by any corporation pursuant to a reorganization, merger, consolidation or similar business combination involving the Company (a "MERGER"), if, following such Merger, the conditions described in clauses (i) and (ii) Section 6.7(c) (below) are satisfied;

(b) Individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the "INCUMBENT BOARD") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(c) Approval by the shareholders of the Company of a Merger, unless immediately following such Merger, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to Merger beneficially own, directly or indirectly, more than 50% of the common stock of the corporation resulting from such Merger in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to such Merger and (ii) at least a majority of the members of the board of directors of the corporation resulting from such Merger were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Merger;

(d) The sale or other disposition of all or substantially all of the assets of the Company, unless immediately following such sale or other disposition, (i) substantially all of the holders of the Outstanding Company Voting Securities immediately prior to the consummation of such sale or other disposition beneficially own, directly or indirectly, more than 50% of the common stock of the corporation acquiring such assets in substantially the same proportions as their ownership of Outstanding Company Voting Securities immediately prior to the consummation of such sale or disposition, and (ii) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Company; or

(e) Any other event that a majority of the Board, in its sole discretion, determines to constitute a Change in Control hereunder.

Notwithstanding the occurrence of any of the foregoing events of this Section 6.7 which would otherwise result in a Change in Control, the Board may determine in its discretion, if it deems it to be in

the best interest of the Company, that an event or events otherwise constituting or reasonably leading to a Change in Control shall not be deemed a Change in Control hereunder. Such determination shall be effective only if it is made by the Board prior to the occurrence of an event that otherwise would be, or reasonably lead to, a Change in Control, or after such event only if made by the Board a majority of which is composed of directors who were members of the Board immediately prior to the event that otherwise would be, or reasonably lead to, a Change in Control.

6.8 EXCHANGE OF INCENTIVE AWARDS

The Committee may, in its discretion, permit any Grantee to surrender outstanding Incentive Awards in order to exercise or realize his rights under other Incentive Awards or in exchange for the grant of new Incentive Awards, or require holders of Incentive Awards to surrender outstanding Incentive Awards (or comparable rights under other plans or arrangements) as a condition precedent to the grant of new Incentive Awards.

SECTION 7.

GENERAL

7.1 EFFECTIVE DATE AND GRANT PERIOD

This Plan is hereby amended and restated by the Board effective as of July 1, 2003, subject to the approval of the stockholders of the Company within one year from July 1, 2003. Incentive Awards may be granted under the Plan at any time prior to receipt of such stockholder approval; provided, however, if the requisite stockholder approval is not obtained then any Incentive Awards granted hereunder shall automatically become null and void and of no force or effect. Unless sooner terminated by the Board, no Incentive Award shall be granted under the Plan after ten (10) years from the Effective Date, as defined in Section 1.1.

7.2 FUNDING AND LIABILITY OF COMPANY

No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made, or otherwise to segregate any assets. In addition, the Company shall not be required to maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for purposes of the Plan. Although bookkeeping accounts may be established with respect to Grantees who are entitled to cash, Common Stock or rights thereto under the Plan, any such accounts shall be used merely as a bookkeeping convenience. The Company shall not be required to segregate any assets that may at any time be represented by cash, Common Stock or rights thereto. The Plan shall not be construed as providing for such segregation, nor shall the Company, the Board or the Committee be deemed to be a trustee of any cash, Common Stock or rights thereto. Any liability or obligation of the Company to any Grantee with respect to an Incentive Award shall be based solely upon any contractual obligations that may be created by this Plan and any Incentive Agreement, and no such liability or obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. Neither the Company, the Board nor the Committee shall be required to give any security or bond for the performance of any obligation that may be created by the Plan.

7.3 WITHHOLDING TAXES

(a) TAX WITHHOLDING. The Company shall have the power and the right to deduct or withhold, or require a Grantee to remit to the Company, an amount sufficient to satisfy federal, state, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan or an Incentive Award hereunder. Upon the lapse of restrictions on Restricted Stock, the Committee, in its discretion, may elect to satisfy the tax withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction.

(b) SHARE WITHHOLDING. With respect to tax withholding required upon the exercise of Stock Options or SARs, upon the lapse of restrictions on Restricted Stock, or upon any other taxable event arising as a result of any Incentive Awards, Grantees may elect, subject to the approval of the Committee in its discretion, to satisfy the withholding requirement, in whole or in part, by having the Company withhold Shares having a Fair Market Value on the date the tax is to be determined equal to the minimum statutory total tax which could be imposed on the transaction. All such elections shall be made in writing, signed by the Grantee, and shall be subject to any restrictions or limitations that the Committee, in its discretion, deems appropriate.

(c) INCENTIVE STOCK OPTIONS. With respect to Shares received by a Grantee pursuant to the exercise of an Incentive Stock Option, if such Grantee disposes of any such Shares within (i) two years from the date of grant of such Option or (ii) one year after the transfer of such shares to the Grantee, the Company shall have the right to withhold from any salary, wages or other compensation payable by the Company to the Grantee an amount sufficient to satisfy federal, state and local tax withholding requirements attributable to such disqualifying disposition.

7.4 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Company nor the Committee makes any commitment or guarantee that any federal, state or local tax treatment will apply or be available to any person participating or eligible to participate hereunder.

7.5 DESIGNATION OF BENEFICIARY BY PARTICIPANT

Each Grantee may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his death before he receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Grantee, shall be in a form prescribed by the Committee, and will be effective only when filed by the Grantee in writing with the Committee during the Grantee's lifetime. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate.

7.6 DEFERRALS

The Committee may permit a Grantee to defer such Grantee's receipt of the payment of cash or the delivery of Shares that would, otherwise be due to such Grantee by virtue of the lapse or waiver of restrictions with respect to Restricted Stock, or the satisfaction of any requirements or goals with respect to Performance Units, Performance Shares or Other Stock-Based Awards. If any such deferral election is permitted, the Committee shall, in its discretion, establish rules and procedures for such payment deferrals to the extent required for tax deferral of compensation under the Code.

7.7 AMENDMENT AND TERMINATION

The Board and CEO shall each have the power and authority to terminate or amend the Plan at any time; provided, however, the Board or CEO shall not, without the approval of the stockholders of the Company within the time period required by applicable law, (a) except as provided in Section 6.5, increase the maximum number of Shares which may be issued under the Plan pursuant to Section 1.4, (b) amend the requirements as to the class of Employees eligible to purchase Common Stock under the Plan, (c) extend the term of the Plan, or, if the Company is a Publicly Held Corporation (i) increase the maximum limits on Incentive Awards to Covered Employees as set for compliance with the Performance-Based Exception, or (ii) decrease the authority granted to the Committee under the Plan in contravention of Rule 16b-3 under the Exchange Act.

No termination, amendment, or modification of the Plan shall adversely affect in any material way any outstanding Incentive Award previously granted to a Grantee under the Plan, without the written consent of such Grantee or other designated holder of such Incentive Award.

In addition, to the extent that the Committee determines that (a) the listing for qualification requirements of any national securities exchange or quotation system on which the Company's Common Stock is then listed or quoted, if applicable, or (b) the Code (or regulations promulgated thereunder), require stockholder approval in order to maintain compliance with such listing requirements or to maintain any favorable tax advantages or qualifications, then the Plan shall not be amended in such respect without approval of the Company's stockholders.

7.8 REQUIREMENTS OF LAW

(a) GOVERNMENTAL ENTITIES AND SECURITIES EXCHANGES. The granting of Incentive Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. Certificates evidencing shares of Common Stock delivered under this Plan (to the extent that such shares are so evidenced) may be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules and regulations of the Securities and Exchange Commission, any securities exchange or transaction reporting system upon which the Common Stock is then listed or to which it is admitted for quotation, and any applicable federal or state securities law, if applicable. The Committee may cause a legend or legends to be placed upon such certificates (if any) to make appropriate reference to such restrictions.

(b) SECURITIES ACT RULE 701. If no class of the Company's securities is registered under Section 12 of the Exchange Act, then unless otherwise determined by the Committee, grants of Incentive Awards to "Rule 701 Grantees" (as defined below) and issuances of the underlying shares of Common Stock, if any, on the exercise or conversion of such Incentive Awards are intended to comply with all applicable conditions of Securities Act Rule 701 ("Rule 701"), including, without limitation, the restrictions as to the amount of securities that may be offered and sold in reliance on Rule 701, so as to qualify for an exemption from the registration requirements of the Securities Act. Any ambiguities or inconsistencies in the construction of an Incentive Award or the Plan shall be interpreted to give effect to such intention. In accordance with Rule 701, each Grantee shall receive a copy of the Plan on or before the date an Incentive Award is granted to him, as well as the additional disclosure required by Rule 701(e) if the aggregate sales price or amount of securities sold during any consecutive 12-month period exceeds \$5,000,000 as determined under Rule 701(e). If Rule 701 (or any successor provision) is amended to eliminate or otherwise modify any of the requirements specified in Rule 701, then the provisions of this subsection 7.8(b) shall be interpreted and construed in accordance with Rule

701 as so amended. For purposes of this subsection 7.8(b), as determined in accordance with Rule 701, "Rule 701 Grantees" shall mean any Grantee other than a director of the Company, the Company's chairman, chief executive officer, president, chief financial officer, controller and any vice president of the Company, and any other key employee of the Company who generally has access to financial and other business related information and possesses sufficient sophistication to understand and evaluate such information.

7.9 RULE 16b-3 SECURITIES LAW COMPLIANCE FOR INSIDERS

If the Company is a Publicly Held Corporation, transactions under the Plan with respect to Insiders are intended to comply with all applicable conditions of Rule 16b-3 under the Exchange Act. With respect to all Grantees, transactions under the Plan are intended to comply with Securities Regulation BTR and the Company's insider trading policies as revised from time to time or such other similar Company policies, including but not limited to, policies relating to black out periods. Any ambiguities or inconsistencies in the construction of an Incentive Award or the Plan shall be interpreted to give effect to such intention, and to the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void to the extent permitted by law and deemed advisable by the Committee in its discretion.

7.10 COMPLIANCE WITH CODE SECTION 162(m) FOR PUBLICLY HELD CORPORATION

If the Company is a Publicly Held Corporation, unless otherwise determined by the Committee with respect to any particular Incentive Award, it is intended that the Plan shall comply fully with the applicable requirements so that any Incentive Awards subject to Section 162(m) that are granted to Covered Employees shall qualify for the Performance-Based Exception, except for grants of Nonstatutory Stock Options with an Option Price set at less than the Fair Market Value of a Share on the date of grant. If any provision of the Plan or an Incentive Agreement would disqualify the Plan or would not otherwise permit the Plan or Incentive Award to comply with the Performance-Based Exception as so intended, such provision shall be construed or deemed to be amended to conform to the requirements of the Performance-Based Exception to the extent permitted by applicable law and deemed advisable by the Committee; provided, however, no such construction or amendment shall have an adverse effect on the prior grant of an Incentive Award or the economic value to a Grantee of any outstanding Incentive Award, unless consented to in writing by the Grantee.

7.11 SUCCESSORS TO COMPANY

All obligations of the Company under the Plan with respect to Incentive Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

7.12 MISCELLANEOUS PROVISIONS

(a) No Employee, Consultant, Outside Director, or other person shall have any claim or right to be granted an Incentive Award under the Plan. Neither the Plan, nor any action taken hereunder, shall be construed as giving any Employee, Consultant, or Outside Director any right to be retained in the Employment or other service of the Company or any Parent or Subsidiary.

(b) The expenses of the Plan shall be borne by the Company.

(c) By accepting any Incentive Award, each Grantee and each person claiming by or through him shall be deemed to have indicated his acceptance of the Plan.

(d) No Shares of Common Stock shall be issued hereunder unless counsel for the Company is then reasonably satisfied that such issuance will be in compliance with federal and state securities laws, if applicable.

7.13 SEVERABILITY

In the event that any provision of this Plan shall be held illegal, invalid or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal, invalid, or unenforceable provision was not included herein.

7.14 GENDER, TENSE AND HEADINGS

Whenever the context so requires, words of the masculine gender used herein shall include the feminine and neuter, and words used in the singular shall include the plural. Section headings as used herein are inserted solely for convenience and reference and constitute no part of the interpretation or construction of the Plan.

7.15 GOVERNING LAW

The Plan shall be interpreted, construed and constructed in accordance with the laws of the State of Texas without regard to its conflicts of law provisions, except as may be superseded by applicable laws of the United States.

IN WITNESS WHEREOF, the Company has caused this Plan to be duly executed in its name and on its behalf by its duly authorized officer.

INTERNETWORK EXPERTS, INC.

By: /s/ Mark T. Hilz

Mark T. Hilz
President and CEO

Witness:

/s/ Patricia L. Winstead

Patricia L. Winstead
Secretary

ASSET PURCHASE AGREEMENT
BY AND AMONG
INTERNETWORK EXPERTS, INC.,
DIGITAL PRECISION, INC.,

AND

DAVID PEOPLES, DON SMITH, DAVID DEYOUNG AND JOHN C'DE BACA

APRIL 4, 2003

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made this 4th day of April, 2003, by and among InterNetwork Experts, Inc., a Delaware corporation ("Buyer"), Digital Precision, Inc., a Texas corporation ("Seller"), and each of the individuals listed on the signature page of this Agreement (each a "Shareholder" and collectively, the "Shareholders").

The following recitals are true and constitute the basis for this Agreement:

- A. The Seller is engaged in the business of designing and installing computer networks in selected cities in the United States (the "Network Installation Business");
- B. The Seller desires to sell to the Buyer and the Buyer desires to purchase from the Seller, certain assets, properties and rights of the Seller utilized by it in connection with the operation of the Network Installation Business upon the terms and conditions of this Agreement; and
- C. The Shareholders are the owners of approximately 90% of the outstanding capital stock of the Seller. As an inducement to the Buyer to enter into this Agreement, the Shareholders have approved this Agreement and agreed to become a party to this Agreement pursuant to the terms hereof.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I.
PURCHASE AND SALE OF ASSETS

1.1 PURCHASE AND SALE OF ASSETS. Pursuant to the terms and subject to the conditions set forth in this Agreement, at the Closing (defined in Section 1.6 below), the Seller shall sell, assign, transfer, convey and deliver to the Buyer and the Buyer shall purchase only the assets, properties, and rights of the Seller described below (all of such specifically described assets, properties and rights being hereinafter collectively referred to as the "Purchased Assets"):

(a) Personal Property. All of the equipment, computer hardware, furniture, fixtures, appliances, furnishings, leasehold improvements and other personal property listed on Schedule 1.1(a);

(b) Intellectual Property. (i) All inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, including the right to enforce any rights embodied therein and to collect damages for any past, infringement of such rights by third parties, (ii) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, all applications, registrations, and

renewals in connection therewith, and the right to register, perfect and enforce any rights embodied therein and to collect damages for any past, infringement of such rights by third parties, (iii) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (iv) all mask works and all applications, registrations, and renewals in connection therewith, (v) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, techniques, technical data, designs, drawings, specifications, customer, supplier and vendor lists, pricing and cost information, and business and marketing plans and proposals), (vi) all computer software (including data and related documentation), (vii) all computer and telecommunications equipment, appliances and systems which are owned by the Seller, (viii) all other proprietary rights, (ix) all licenses, and (x) all copies and tangible embodiments thereof (in whatever form or medium) (collectively, (i) through (x) above, the "Intellectual Property");

(c) Domain Names. All of the Seller's right, title and interest in and to each domain name and the registration thereof, all associated universal resource locators, whether registered in the name of Seller or by any other person on behalf of Seller, together with all goodwill connected with and symbolized by such domain names or locators, and any intellectual property rights relating thereto, including, but not limited to, e-mail addresses, websites, translations, adaptations, derivations, copyrights, and combinations thereof, all applications, registrations, and renewals in connection therewith, and the right to register, perfect and enforce any rights embodied therein, including the right to collect damages for any past, infringement of such rights by third parties to the extent any such intellectual property rights exist (the "Domain Names"), each of which is listed on Schedule 1.1(c);

(d) Documents. All of the Seller's books, records, papers and documents which relate to the Purchased Assets, including all purchase and sales records and customer and supplier records;

(e) Inventory. All inventories of product, point of sale material and merchandise of Seller held for resale by Seller, but only to the extent listed on Schedule 1.1(h) (the "Inventory"); and

(f) Name. The right to use the name "Digital Precision" or a variant or variants thereof.

1.2 ASSETS EXCLUDED FROM SALE. Other than the Purchased Assets, the Buyer is not purchasing and the Seller is not selling any other asset or right of the Seller not included in Section 1.1.

1.3 TRANSFER OF PURCHASED ASSETS. The Seller shall deliver or cause to be delivered to the Buyer such other good and sufficient instruments reasonably requested by the Buyer transferring to the Buyer title to all of the Purchased Assets or Seller's interest therein, all in accordance with this Agreement. Such instruments of transfer (a) shall be in the form which is usual and customary for transferring the type of property involved under the laws of the jurisdictions applicable to such transfers, (b) shall be in form and substance reasonably satisfactory to the Buyer and its counsel, (c) shall effectively vest in the Buyer good and marketable title, or the Seller's interest therein as provided in this Agreement, to all of the

Purchased Assets, free and clear of all liens, claims and encumbrances, except as provided herein, and (d) where applicable, shall be accompanied by evidence of the discharge of all liens, claims and encumbrances against the Purchased Assets.

1.4 NO ASSUMPTION OF LIABILITIES BY THE BUYER. The Buyer shall not assume and shall not be liable for any Liabilities (as defined below) of the Seller (collectively, the "Retained Liabilities"), and all such Retained Liabilities shall be and remain the responsibility of the Seller, including, without limitation, any Liabilities arising out of or the result of any activity associated with the Purchased Assets prior to the Closing Date, Liabilities under any contract to which the Seller is a party, Liabilities with respect to all Taxes (as defined in Section 2.12 below), Liabilities relating to, or arising under or in connection with, any Employee Benefit Plan (as defined in Section 3.1(p) below), or any Liabilities related to any Environmental Law (as defined in Section 3.1(t) below). The Seller shall discharge in a timely manner or shall make adequate provision for all Retained Liabilities, and the Seller and the Shareholders shall jointly and severally indemnify the Buyer and hold it harmless against all Retained Liabilities. As used in this Agreement, the term "Liability" and "Liabilities" shall mean and include any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility, fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured.

1.5 PURCHASE PRICE. The purchase price for the Purchased Assets shall be consist of Five Hundred Forty Thousand Dollars (\$540,000) cash and the right to receive up to 1,800,000 shares (the "Seller's Shares") of the common stock, \$0.001 par value, of the Buyer (the "Purchase Price"). On the Closing Date, the Buyer shall:

(a) deliver to the Seller \$282,304.39 by wire transfer in immediately available funds to an account designated by the Seller;

(b) deliver to Compass Bank \$78,695.61 by wire transfer in immediately available funds to an account designated by Compass Bank;

(c) deliver to the Internal Revenue Service \$148,942.20 by wire transfer in immediately available funds to an account designated by the Internal Revenue Service; and

(d) issue and hold the Seller's Shares, which Seller's Shares shall be subject to forfeiture pursuant to Section 2.18 and may, at the Buyer's option, be subject to set-off pursuant to Section 9.5 below.

The balance of the cash portion of the Purchase Price shall be retained by Seller and paid to Buyer upon Seller's receipt of sufficient evidence from the Internal Revenue Service that all amounts due and payable by Seller for all Taxes (as defined below) have been paid in full, including all interest and penalties. Within a reasonable period of time following the one year anniversary of the Closing Date, the Buyer shall deliver a stock certificate to Seller which represents the Seller's Shares, less the number of Seller's Shares that were either forfeited pursuant to Section 2.18 hereof or reduced, at the option of the Buyer, by set-off pursuant to Section 9.5 hereof. All of the Seller's Shares shall be subject to the First Refusal and Transfer

Restriction Agreement dated as of the date hereof by and among, the Buyer, the Seller, the Shareholders and the other parties thereto.

1.6 CLOSING. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Sayles, Lidji and Werbner, 4400 Renaissance Tower, 1201 Elm Street, Dallas, Texas 75270 on the later of (a) April 4, 2003, or (b) the first business day after all of the conditions set forth in Articles VI and VII hereof have been satisfied or waived, or such other place and time as the parties may mutually agree (the "Closing Date"). All of the deliveries and other transactions required to take place at the Closing and all documents relating thereto shall be interdependent and none shall be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent hereto).

1.7 DELIVERIES AT THE CLOSING. At the Closing, (a) the Seller shall deliver to the Buyer the various certificates, instruments and documents referred to in Article VI below, and (b) the Buyer will deliver to the Seller the various certificates, instruments, and documents referred to in Article VII below.

1.8 CONSUMMATION OF CLOSING. All acts, deliveries, and confirmations comprising the Closing regardless of chronological sequence shall be deemed to occur contemporaneously and simultaneously upon the occurrence of the last act, delivery, or confirmation of the Closing and none of such acts, deliveries, or confirmations shall be effective unless and until the last of the same shall have occurred.

ARTICLE II. ADDITIONAL AGREEMENTS

2.1 NONCOMPETITION, NONSOLICITATION AND CONFIDENTIALITY. For purposes of this Agreement, the following definitions shall apply:

(a) "Affiliate" with respect to any Person, shall mean and include any Person controlling, controlled by or under common control with such Person either as of or following the date of this Agreement;

(b) "Company Activities" shall mean either (i) designing and installing computer networks, (ii) selling computer network equipment, or (iii) engaging in any other business activities which are conducted, offered or provided by the Seller, the Buyer or any Affiliate of either of them at any time during the 12-month period prior to the date of this Agreement.

(c) "Confidential Information" shall mean any data or information (whether written or not), of the Buyer, the Seller or any Affiliate of either of them, other than Trade Secrets (as defined below), which is valuable to the Buyer, the Seller or any Affiliate of either of them and not generally known to competitors;

(d) "Noncompete Period" and the "Nonsolicitation Period" shall mean from the date of Closing through April 4, 2006;

(e) "Person" shall mean any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization or other entity;

(f) "Protected Area" shall mean any state in the United States in which Buyer or Seller, or any Affiliate of either of them, conducted Company Activities at any time during the 12-month period immediately preceding the Closing Date; and

(g) "Trade Secrets" shall mean information related to the Company Activities, including, but not limited to, technical or nontechnical data, formulas, patterns, compilations, or programs, including, without limitation, computer software and related source codes, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, lists of actual or potential customers or suppliers, or other information similar to any of the foregoing, which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use.

2.2 CONFIDENTIALITY. The Buyer, the Seller and the Shareholders shall keep confidential the existence of this Agreement, the transactions described herein and all information concerning the Company Activities. The provisions of this Section 2.2 shall not apply with respect to any information which (a) was already known by one party when such information was received from the other party, (b) was available to the general public at the time of such receipt, (c) subsequently becomes known to the general public through no fault or omission by a party hereto, (d) is subsequently disclosed by a third party which has the bona fide right to make such disclosure, (e) is disclosed by the Buyer to potential lenders and investors who agree to keep such information confidential, (f) is required to be disclosed by law or a governmental agency, including for income tax reporting purposes, or (g) is required to be disclosed in order to enforce this Agreement.

2.3 TRADE SECRETS. The Seller and the Shareholders, as well as the officers, directors and employees of the Seller shall hold in confidence at all times after the date hereof all Trade Secrets related to the Seller, the Buyer and any of either of their Affiliates and shall not disclose, publish or make use of those Trade Secrets at any time after the date hereof, without the prior written consent of the Buyer, except (a) any information or document required to be disclosed by law or (b) information that becomes public knowledge through means other than an act of the Shareholders. Nothing in this Agreement shall diminish the rights of the Seller or the Buyer regarding the protection of Trade Secrets and other intellectual property pursuant to applicable law.

2.4 TRADE NAME AND CONFIDENTIAL INFORMATION.

(a) The Seller and the Shareholders shall not, directly or by assisting others, own, manage, operate, join, control or participate in the ownership, management, operation or control of any business conducted under the corporate or trade name of the Seller (or any variation thereof) or any of its Affiliates (other than as an employee of the Buyer or one of its Affiliates) without the prior written consent of the Buyer; and

(b) The Seller and the Shareholders shall hold in confidence all Confidential Information related to the Seller, the Buyer or any of either of their Affiliates and shall not disclose, publish or make use of that Confidential Information without the prior written consent of the Buyer, except (i) any information or document required to be disclosed by law or (ii) information that becomes public knowledge through means other than an act of the Seller or the Shareholders.

2.5 NON-COMPETITION.

(a) Coverage. The Seller and the Shareholders hereby acknowledge that the Buyer, either directly or indirectly through one or more of its Affiliates, conducts or will conduct Company Activities throughout the Protected Area, and acknowledges that to protect adequately the interest of the Buyer in the operation of each Person through which it will engage in Company Activities after the date of this Agreement, it is essential that any noncompete covenant with respect thereto cover all Company Activities in the Protected Area except as specifically provided herein.

(b) Covenant. During the Noncompete Period, neither Seller (or any of its officers or directors) nor the Shareholders shall in any manner, directly or indirectly, engage in or have an equity or profit interest in, or render services to any business that conducts any Company Activities in the Protected Area. Notwithstanding anything herein to the contrary, nothing in this Agreement shall prevent or prohibit the Seller or the Shareholders from owning not more than 5% of a class of equity securities issued by any entity listed on any national securities exchange or interdealer quotation system.

2.6 NONSOLICITATION OF AND NONINTERFERENCE WITH EMPLOYEES, CUSTOMERS AND VENDORS. During the Nonsolicitation Period, neither the Seller (nor any of its officers or directors) nor the Shareholders shall, in any manner, directly or indirectly:

(a) solicit or attempt to solicit, any business from any customers of the Buyer or any of its Affiliates for purposes of engaging in any Company Activities in any Protected Area;

(b) recruit or hire away or attempt to recruit or hire away, on its behalf or on behalf of any other person, firm or corporation, any employee of the Buyer or any of its Affiliates; or

(c) interfere with or otherwise attempt to effect Buyer's relationship with any vendor or customer of Buyer or any of its Affiliates.

2.7 ACKNOWLEDGMENT. The Seller, the Shareholders and the Buyer each acknowledge and agree that the covenants set forth in Sections 2.2, 2.3, 2.4, 2.5 and 2.6 are reasonable as to time, scope and territory given the Buyer's need to protect its Trade Secrets, Confidential Information and its substantial investment in the Purchased Assets and its customer base, particularly given the complexity and competitive nature of the Buyer's and its Affiliate's business. The Seller and each Shareholder further acknowledges that (a) it would be difficult to calculate damages to the Buyer and its Affiliates from any breach of the Seller's or any Shareholder's obligations under either of Sections 2.2, 2.3, 2.4, 2.5 or 2.6, (b) that injuries to the

Buyer and its Affiliates from any such breach would be irreparable and impossible to measure, and (c) that the remedy at law for any breach or threatened breach of the Seller's or any Shareholder's obligations under either of Sections 2.2, 2.3, 2.4, 2.5 or 2.6 of this Agreement would therefore be an inadequate remedy, and accordingly, the Buyer shall, in addition to all other available remedies (including without limitation seeking such damages as it can show it and its Affiliates have sustained by reason of such breach or the exercise of all other rights it has under this Agreement), be entitled to injunctive and other similar equitable remedies. Each of the Shareholders that accepts the Buyer's offer of employment also acknowledges that the Shareholder will be subject to separate noncompete and nonsolicitation provisions in connection with his employment by the Buyer following the Closing Date. Accordingly, if the duration or scope of the noncompete or nonsolicitation applicable to each Shareholder under the terms Buyer's standard employment documents is for any reason shorter than the duration of the Noncompete Period or Nonsolicitation Period or narrower in scope than as set forth in this Agreement, each Shareholder hereby acknowledges that he or she shall be subject to the Noncompete Period and Nonsolicitation Period set forth in this Agreement notwithstanding any of the terms of his or her employment terms with the Buyer.

2.8 FURTHER ASSURANCES. Each party hereto from time to time hereafter at any other party's request and without further consideration, shall execute and deliver to such other party such instruments of transfer, conveyance and assignment in addition to those delivered pursuant to this Agreement as shall be reasonably requested to transfer, convey and assign more effectively the Purchased Assets to the Buyer, the costs of which shall be paid by the requesting party.

2.9 EXPENSES. Except as otherwise provided herein, the Buyer and the Seller shall each be responsible for their own expenses incurred in connection with the negotiations among the parties, and the authorization, preparation, execution and performance of this Agreement and the transactions contemplated hereby. In addition, the Seller shall be responsible for all costs associated with terminating any Employee Benefit Plan of the Seller (e.g., 401(k), pension, profit sharing plans) prior to or at Closing.

2.10 BROKERS. The Buyer shall indemnify the Seller and hold it harmless from and against all claims or demands for commissions or other compensation by any broker, finder, or similar agent claiming to have been employed by or on behalf of the Buyer. The Seller and the Shareholders shall jointly and severally indemnify the Buyer and hold it harmless from and against all claims or demands for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of the Seller.

2.11 PUBLICITY. After the Closing Date, all press releases and other public announcements respecting the subject matter hereof shall be made only by the Buyer, but in a form reasonably acceptable to the Seller; provided, however, that the Seller may make any disclosure required to be made under applicable law if it has determined in good faith that it is necessary to do so and used its best efforts, prior to the issuance of the disclosure, to provide the Buyer with a copy of the proposed disclosure and to discuss the proposed disclosure with the Buyer.

2.12 LIABILITY FOR TAXES. The Seller shall be liable for, and shall together with the Shareholders, jointly and severally, indemnify and hold the Buyer harmless from, (a) all Taxes (as defined below) and Tax liens that are imposed on (either before or after the Closing Date) or incurred with respect to the Purchased Assets for any period ending on or before the Closing Date, (b) any Taxes payable as a result of a breach by the Seller or the Shareholders of any of the representations set forth in Section 3.1(i) hereof, and (c) any necessary and reasonable attorneys' fees or other costs incurred by the Buyer or its Affiliates in connection with any payment from the Seller under this Section 2.12. The Buyer and the Seller agree to provide assistance to one another and to cooperate fully with one another after the Closing Date to account for all Taxes that may be imposed on or incurred with respect to the Purchased Assets during any period prior to the Closing Date. The Seller shall pay directly all excise, sales, transfer, documentary, filing, recordation and other similar Taxes, levies, fees and charges, if any (including all bulk sales taxes and real estate transfer taxes and conveyance and recording fees, if any), that may be imposed upon, or payable or collectible or incurred in connection with, this Agreement and the transactions contemplated hereby. All obligations under this Section 2.12 shall survive the Closing hereunder and continue until 30 days following the expiration of the statute of limitations on assessment of the relevant Tax. As used herein, "Tax" or "Taxes" means all taxes, however denominated, including any interest or penalties or additions thereto whether disputed or not, including any obligation to indemnify or otherwise assume or succeed to the tax Liability of any other Person that may become payable in respect thereof, imposed by any federal, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income taxes (including, but not limited to, United States federal income taxes and state income Taxes), payroll and employee withholding taxes, unemployment insurance, social security, sales and use taxes, excise taxes, environmental taxes, franchise taxes, gross receipts taxes, occupation taxes, real and personal property taxes, stamp taxes, transfer taxes, withholding taxes, workers' compensation taxes, escheat, value-added taxes, alternative or add-on minimum taxes and other obligations of the same or of a similar nature, whether arising before, on or after the Closing.

2.13 RIGHT TO REFUNDS. If the Seller, on the one hand, or the Buyer, on the other hand, receives a refund of any Taxes for which the other has paid such Taxes, then the party receiving such refund shall, within 30 days after its receipt, remit it to the party who paid such Taxes; provided, however, that this section shall not affect the Liability of the parties for Taxes as set forth in Section 2.12 hereof.

2.14 INTERCOMPANY TRANSACTIONS. Prior to the Closing, all intercompany payables and receivables between the Seller and each Shareholder and between the Seller and any of its Affiliates that in any way is related to or otherwise affects any Purchased Asset shall be released by the Seller, each Shareholder or any Affiliate of either of them, as the case may be, and each Shareholder hereby releases any claims or other rights he or she may have in and to any of the Purchased Assets.

2.15 ALLOCATION OF PURCHASE PRICE. For all income tax purposes, each of the parties shall report the transactions contemplated by this Agreement as an "applicable asset acquisition" by the Buyer within the meaning of Section 1060 of the Internal Revenue Code of 1986, as amended. In connection therewith, each of the parties hereby agrees that the fair market value of any Class I, Class II, Class III, Class IV or Class V assets (as described in Section 1.1060-1(c)(2)

of the Treasury Regulations) of the Seller at the Closing will be equal to their respective federal income tax bases to the Seller immediately prior thereto, and the excess of the total consideration (as determined pursuant to Section 1.1060-1(c)(1) of the Treasury Regulations) paid for the Purchased Assets by the Buyer over such aggregate tax bases shall be allocable to Class VI and Class VII assets as described in such Treasury Regulations. The Buyer shall prepare and deliver IRS Form 8594 (Asset Acquisition Statement Under Section 1060) to Seller within 180 days after the Closing Date, which form is to be timely filed with the IRS reporting the transaction in compliance with this Section 2.15. In any proceeding related to the determination of any Tax, no party may contend or represent that the allocation is not a current allocation.

2.16 NAME CHANGE. The Seller shall execute and deliver an amendment to its Articles of Incorporation to change its name to a name other than Digital Precision, Inc. or any variant thereof in acceptable form to be filed with the Texas Secretary of State's office and any other jurisdiction where the Seller is qualified to do business within 180 days following the date of this Agreement.

2.17 EMPLOYEES. Other than the Key Employees (as defined in Section 2.18), the Buyer shall have no obligation to offer employment to any of the Seller's existing employees.

2.18 FORFEITURE OF SELLER'S SHARES. Seller and each Shareholder hereby agree that if at any time prior to the first anniversary of the Closing Date, any of the Key Employees (defined below) are terminated by the Buyer for Cause (defined below) or voluntarily resign as an employee of Buyer without Good Reason (defined below), the number of Seller's Shares held by Buyer pursuant to Section 1.5 hereof shall be permanently reduced and cancelled by Buyer on the date any such Key Employee is terminated by an amount equal to the product of (a) 1,800,000 and (b) the percentage indicated next to each Key Employee's name below. Any Seller's Shares forfeited by Seller under this Section 2.18 shall be cancelled and of no further force or effect. "Key Employees" shall mean David Peoples (33%), Don Smith (28%), David DeYoung (18%) and John C'de Baca (10%). "Cause" shall mean (a) any breach by the Key Employee of the terms of his Employment Agreement or his Confidentiality, Development and Non-Interference Agreement, (b) a deliberate and material failure by the Key Employee to comply with Buyer's written policies or rules as they pertain to the performance of the Key Employee's duties that is not cured by the Key Employee on or before the 10th day following Buyer's written notice of default to the employee, (c) the Key Employee's conviction of, or plea of "guilty" or "no contest" to, a felony under the laws of the United States or any state thereof or (d) willful acts of dishonesty, theft or fraud by the Employee resulting or intending to result in personal gain or enrichment at the expense of Buyer. "Good Reason" shall mean the voluntary resignation of the Key Employee following (i) a reduction in the Key Employee's base salary by more than 10% or (ii) receipt of notice from the Buyer that the Key Employee's principal workplace will be relocated more than 50 miles.

ARTICLE III. REPRESENTATIONS AND WARRANTIES CONCERNING THE TRANSACTION

3.1 REPRESENTATIONS AND WARRANTIES OF THE SELLER AND SHAREHOLDERS. The Seller and the Shareholders jointly and severally represent and warrant to the Buyer that the statements contained in this Section 3.1 are correct and complete as of the date of this Agreement and will

be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 3.1 with respect to itself), except as set forth in referenced Schedules attached hereto.

(a) Organization, Qualification, and Corporate Power. The Seller is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. The Seller is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, except where the lack of such qualification would not have a Material Adverse Effect on the business, financial condition, operations, results of operations, or future prospects of the Seller. The Seller has full corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. Schedule 3.1(a) lists the shareholders, directors and officers of the Seller. For purposes of this Agreement, the term "Material Adverse Effect" shall mean, with respect to any Person, any change or effect that is materially adverse to the assets, operations, financial condition or results of operations of such Person and its subsidiaries, taken as a whole, excluding in all cases: (i) events or conditions generally affecting the industry in which such Person and its subsidiaries operate or arising from changes in general business or economic conditions; (ii) out-of-pocket fees and expenses (including without limitation legal, accounting, investigatory, and other fees and expenses) incurred in connection with the transactions contemplated by this Agreement; (iii) in the case of the Seller, the payment by the Seller of all amounts due to any officers or employees of the Seller under employment contracts or other employee benefit plans in effect as of the date hereof and which have been listed in the Schedules hereto; (iv) any effect resulting from any change in law or generally accepted accounting principles, which affect generally entities such as such Person; and (v) any effect resulting from compliance by such Person with the terms of this Agreement.

(b) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Seller is subject or any provision of the charter or bylaws of the Seller or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Seller is a party or by which it is bound or to which its assets are subject (or result in the imposition of any security interest upon any of its assets), except where the violation, conflict, breach, default, acceleration, termination, modification, cancellation, failure to give notice, or security interest would not have a Material Adverse Effect on the business, financial condition, operations, results of operations, or future prospects of the Seller or on the ability of the parties to consummate the transactions contemplated by this Agreement. The Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order for the parties to consummate the transactions contemplated by this Agreement, except where the failure to give notice, to file, or to obtain any authorization, consent, or approval would not have a Material Adverse Effect on the business, financial condition, operations, results of operations, or future prospects of the Seller or on the ability of the parties to consummate the transactions contemplated by this Agreement.

(c) Brokers' Fees. The Seller does not have any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(d) Title to Assets. Except as set forth on Schedule 3.1(d), the Seller has good and marketable title to, or a valid leasehold interest in, the Purchased Assets, free and clear of any mortgage, pledge, lien, encumbrance, charge or other security interest (collectively, a "Security Interest").

(e) Financial Statements. Attached as Schedule 3.1 (e) are the balance sheets and statements of income, as of and for the fiscal years ended December 31, 2001 and December 31, 2002, (the "Most Recent Fiscal Year End") for the Seller (collectively the "Financial Statements").

(f) Events Subsequent to Most Recent Fiscal Year End. Since the Most Recent Fiscal Year End, there has not been any Material Adverse Effect in the business, financial condition, operations, results of operations, or future prospects of the Seller taken as a whole. Without limiting the generality of the foregoing since that date:

(i) no party (including the Seller) has accelerated, terminated, made material modifications to, or canceled any material agreement, contract, lease, or license to which any of the Seller or its Affiliates is a party or by which any of them is bound;

(ii) the Seller has not imposed any Security Interest upon any of its assets, tangible or intangible;

(iii) the Seller has not granted any license or sublicense of any material rights under or with respect to any Intellectual Property;

(iv) the Seller has not experienced any material damage, destruction, or loss (whether or not covered by insurance) to the Purchased Assets;

(v) the Seller has not granted any increase in the base compensation of any of its directors, officers, and employees outside of the ordinary course of business consistent with past custom and practice, including with respect to quantity and frequency ("Ordinary Course of Business");

(vi) the Seller has not committed to do any of the foregoing.

(g) Undisclosed Liabilities. The Seller does not have any material liability, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, including any liability for Taxes, except for (i) Liabilities set forth on the face of the Financial Statements (rather than in any notes thereto) and (ii) Liabilities which have arisen after the Most Recent Fiscal Year End in the Ordinary Course of Business. Other than for the indebtedness of Seller to Compass Bank under the CAPLine, Seller is not indebted to Compass Bank for, any other amounts.

(h) Legal Compliance. To the knowledge of Seller after due inquiry, the Seller has complied with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof), and no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand, or notice has been filed or commenced against it alleging any failure so to comply, except where the failure to comply would not have a Material Adverse Effect on the Purchased Assets.

(i) Tax Matters.

(i) the Seller and each of its Affiliates have filed all income tax returns that it was required to file. All such income tax returns were correct and complete in all material respects. All Taxes owed by the Seller (whether or not shown on any income tax return) have been paid. The Seller currently is not the beneficiary of any extension of time within which to file any income tax return.

(ii) There is no material dispute or claim concerning any liability of the Seller or any of its Affiliates for any Taxes either (A) claimed or raised by any authority in writing or (B) as to which the Seller and the directors and officers of the Seller has knowledge based upon personal contact with any agent of such authority.

(iii) Neither the Seller nor any of its Affiliates has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to an income tax assessment or deficiency.

(iv) the Seller has not filed a consent under Section 341(f) of the Internal Revenue Code concerning collapsible corporations. The Seller has not made any material payments, is not obligated to make any material payments, or is not a party to any agreement that under certain circumstances could obligate it to make any material payments that will not be deductible under Section 280G of the Internal Revenue Code. The Seller has never been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Internal Revenue Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Internal Revenue Code. The Seller is not a party to any tax allocation or sharing agreement. The Seller (A) has never been a member of an affiliated group filing a consolidated federal income tax return (other than a group the common parent of which was the Seller) or (B) does not have any liability for the Taxes of any person (other than the Seller) under Reg. Section 1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise.

(v) the Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(j) Real Property.

(i) the Seller does not own any real property.

(ii) Schedule 3.1(j)(ii) lists and describes briefly all real property leased or subleased by the Seller. The Seller has delivered to the Buyer correct and complete copies of the leases and subleases listed in Schedule 3.1 (j)(ii). With respect to each material lease and sublease listed in Schedule 3.1(j)(ii):

(A) the lease or sublease is legal, valid, binding, enforceable, and in full force and effect in all material respects;

(B) no party to the lease or sublease is in material breach or default, and no event has occurred which, with notice or lapse of time, would constitute a material breach or default or permit termination, modification, or acceleration thereunder;

(C) no party to the lease or sublease has repudiated any material provision thereof,

(D) there are no material disputes, oral agreements, or forbearance programs in effect as to the lease or sublease;

(E) the Seller has not assigned, transferred, conveyed, mortgaged, deeded in trust, or encumbered any interest in the leasehold or subleasehold; and

(F) all facilities leased or subleased thereunder have received all approvals of governmental authorities (including material licenses and permits) required in connection with the operation thereof, and have been operated and maintained in accordance with applicable laws, rules, and regulations in all material respects.

(k) Intellectual Property.

(i) Neither the Seller nor any of its Affiliates has interfered with, infringed upon, misappropriated, or violated any intellectual property rights of third parties in any material respect, and the Seller has never received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or violation (including any claim that the Seller or any of its Affiliates must license or refrain from using any intellectual property rights of any third party). To the knowledge of the Seller, no third party has interfered with, infringed upon, misappropriated, or violated any intellectual property, rights of the Seller in any material respect.

(ii) Schedule 3.1(k)(ii) identifies each patent or registration which has been issued to the Seller with respect to any of its intellectual property, identifies each pending patent application or application for registration which the Seller has made with respect to any of its intellectual property, and identifies and describes each material license, agreement, or other permission which the Seller

has granted to any third party with respect to any of its intellectual property (together with any exceptions). The Seller has delivered to the Buyer correct and complete copies of all such patents, registrations, applications, licenses, agreements, and permissions (as amended to date). Schedule 3.1(k)(ii) also identifies each domain name, universal resource locator, trademark, service mark, trade name, copyright or unregistered trademark used by the Seller in connection with the Network Installation Business. With respect to each item of intellectual property required to be identified in Schedule 3.1(k)(ii):

(A) the Seller possesses all right, title, and interest in and to the item, free and clear of any liens, claims, Security Interests, encumbrances, licenses, or other restrictions;

(B) the item is not subject to any outstanding injunction, judgment, order, decree, ruling, or, charge;

(C) no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand is pending or, to the knowledge of the Seller, is threatened which challenges the legality, validity, enforceability, use, or ownership of the item; and

(D) the Seller has not agreed to indemnify any person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iii) Schedule 3.1(k)(iii) identifies each material item of intellectual property that any third party owns and that the Seller uses pursuant to license, sublicense, agreement, or permission. The Seller has delivered to the Buyer correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date). With respect to each item of intellectual property required to be identified in Schedule 3.1(k)(iii):

(A) the license, sublicense, agreement, or permission covering the item is legal, valid, binding, enforceable, and in full force and effect in all material respects;

(B) no party to the license, sublicense, agreement, or permission is in material breach or default, and no event has occurred which with notice or lapse of time would constitute a material breach or default or permit termination, modification, or acceleration thereunder;

(C) no party to the license, sublicense, agreement, or permission has repudiated any material provision thereof; and

(D) the Seller has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(l) Contracts; Inventory. There are no contracts or other agreements to which the Seller is a party, that in any way burdens or otherwise effects any of the Purchased Assets, restricts the Seller's use of any of the Purchased Assets for their intended purpose or obligates the Seller to pay any other party based on the Seller's ownership and use of the Purchased Assets. The Inventory (a) consists of items which are in all material respects free of any defect, fault, imperfection, impurity or dangerous propensity of any kind, (b) is of a quality and quantity usable and salable in the ordinary and usual course of business and (c) is owned by the Seller.

(m) Insurance. The insurance covering the Purchased Assets is sufficient to protect Seller's investment in the Purchased Assets. Schedule 3.1(m) sets forth the following information with respect to each insurance policy covering the Purchased Assets (including policies providing property, casualty, liability, and workers compensation coverage and bond and surety arrangements) with respect to which the Seller is a party, a named insured, or otherwise the beneficiary of coverage:

- (i) the name, address, and telephone number of the agent;
- (ii) the name of the insurer, the name of the policyholder, and the name of each covered insured; .
- (iii) the policy number and the period of coverage;
- (iv) the scope (including an indication of whether the coverage is on a claims made, occurrence, or other basis) and amount (including a description of how deductibles and ceilings are calculated and operate) of coverage; and
- (v) a description of any retroactive premium adjustments or other material loss-sharing arrangements.

(n) Litigation. Schedule 3.1 (n) sets forth each instance in which the Seller (i) is subject to any outstanding injunction, judgment, order, decree, ruling, or charge or (ii) is a party or, to the knowledge of the Seller, is threatened to be made a party to any action, suit, proceeding, hearing, or investigation of, in, or before any court or quasi judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator.

(o) Employees. To the knowledge of Seller after due inquiry, no executive, key employee, or significant group of employees plans to terminate employment with the Seller, except as contemplated by consummation of the transaction provided for in this Agreement. The Seller is not a party to or bound by any collective bargaining agreement, nor has it experienced any strike or material grievance, claim of unfair labor practices, or other collective bargaining dispute within the past three years. The Seller has not committed any material unfair labor practice. Neither the Seller nor any of the directors and officers of the Seller has any knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of the Seller. Schedule 3.1 (o) sets forth a true and complete list of: (i) the names, title and current salaries of all officers of the Seller; (ii) the wage rates (or wages if applicable) for each exempt and nonexempt, salaried and hourly employees of the Seller; (iii) all scheduled or contemplated increases in compensation or bonuses; and (iv) all scheduled or contemplated employee promotions.

(p) Employee Benefits.

(i) Schedule 3.1(p) lists any plan, program, arrangement, agreement or commitment which is an employment, consulting, non-competition or deferred compensation agreement, or an executive compensation, incentive bonus or other bonus, employee pension, profit sharing, savings, retirement, stock option, stock purchase, stock appreciation rights, severance pay, life, health, disability or accident insurance plan, corporate-owned or key-man life insurance or other employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") that the Seller maintains or to which the Seller contributes or has any obligation to contribute (each an "Employee Benefit Plan").

(A) Each Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all material respects with the applicable requirements of ERISA, the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and other applicable laws.

(B) All required reports and descriptions (including Form 5500 Annual Reports, summary annual reports, PBGC-1's, and summary plan descriptions) have been timely filed and distributed appropriately with respect to each Employee Benefit Plan. The requirements of COBRA have been met in all material respects with respect to each Employee Benefit Plan which is an Employee Welfare Benefit Plan (as defined in ERISA Section 3(1)).

(C) All contributions (including all employer contributions and employee salary reduction contributions) which are due have been paid to each Employee Benefit Plan which is an Employee Pension Benefit Plan (as defined in ERISA Section 3(2)) and all contributions for any period ending on or before the Closing Date which are not yet due have been paid to each Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Seller. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each Employee Benefit Plan which is an Employee Welfare Benefit Plan.

(D) Each Employee Benefit Plan which is an Employee Pension Benefit Plan meets the requirements of a "qualified plan" under Internal Revenue Code Section 401(a), has received, within the last two years, a favorable determination letter from the Internal Revenue Service that it is a "qualified plan," and Seller is not aware of any facts or circumstances that could result in the revocation of such determination letter.

(E) The market value of assets under each Employee Benefit Plan which is an Employee Pension Benefit Plan (other than any

Multiemployer Plan, as defined in ERISA Section 3 (37)) equals or exceeds the present value of all vested and nonvested liabilities thereunder determined in accordance with the Pension Benefit Guaranty Corporation ("PBGC") methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date for determination.

(F) The Seller has delivered to the Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent determination letter received from the Internal Revenue Service, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements which implement each Employee Benefit Plan.

(ii) With respect to each Employee Benefit Plan that the Seller and any ERISA affiliate maintains or ever has maintained or to which any of them contributes, ever has contributed, or ever has been required to contribute:

(A) No Employee Benefit Plan which is an Employee Pension Benefit Plan (other than any Multiemployer Plan) has been completely or partially terminated or been the subject of a reportable event as to which notices would be required to be filed with the PBGC. No proceeding by the PBGC to terminate any Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or, to the knowledge of the Seller, threatened.

(B) There have been no prohibited transactions with respect to any Employee Benefit Plan. No fiduciary has any Liability for material breach of fiduciary duty or any other material failure to act or comply in connection with the administration or investment of the assets of any Employee Benefit Plan. No action, suit, proceeding, hearing, or investigation with respect to the administration or the investment of the assets of any Employee Benefit Plan (other than routine claims for benefits) is pending or, to the knowledge of the Seller, threatened.

(C) The Seller has not incurred any Liability to the PBGC (other than PBGC premium payments) or otherwise under Title IV of ERISA (including any withdrawal liability as defined in ERISA Section 4201) or under the Internal Revenue Code with respect to any Employee Benefit Plan which is an Employee Pension Benefit Plan.

(iii) The Seller does not contribute to, ever has never contributed to, or never ever has been required to contribute to any multiemployer plan or has any Liability, including any withdrawal liability (as defined in ERISA Section 4201), under any Multiemployer Plan.

(iv) Except as otherwise disclosed on Schedule 3.1(p), the Seller does not maintain and has never maintained or contributed, or ever has been required to

contribute to any Employee Welfare Benefit Plan providing medical, health, or life insurance or other welfare-type benefits for current or future retired or terminated employees, their spouses, or their dependents (other than, in accordance with COBRA).

(q) Guaranties. The Seller is not a guarantor or otherwise is responsible for any Liability of any other Person.

(r) Authorization of Transaction. The Seller has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Each Shareholder has full legal capacity to enter into, execute and deliver this Agreement, to fully perform his or her obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Seller and each Shareholder, enforceable in accordance with its terms and conditions. Neither Seller nor any shareholder needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

(s) Tangible Assets. Except as set forth in Schedule 3.1(s), the Purchased Assets are free from defects (patent and latent), have been maintained in accordance with normal industry practice, are in good operating condition and repair (subject to normal wear and tear), and are suitable for the purposes for which it presently is used and presently is proposed to be used.

(t) Environmental Matters.

(i) Except as set forth in Schedule 3.1(t), (A) Seller has never generated, transported, used, stored, treated, disposed of or managed any Hazardous Waste (as defined below); (B) while Seller has leased the real property listed on Schedule 3.1(j)(ii), no Hazardous Material (as defined below) has ever been spilled, released or disposed of at the real property listed on Schedule 3.1(j)(ii), or, to Seller's knowledge after due inquiry, has ever been located in the soil or groundwater at any such property; (C) while Seller has leased the real property listed on Schedule 3.1(j)(ii), no Hazardous Material has ever been transported from any real property listed on Schedule 3.1(j)(ii) for treatment, storage or disposal at any other place; (D) Seller does not presently own, operate, lease or use any site on which underground storage tanks are located; and (E) while Seller has leased the real property listed on Schedule 3.1(j)(ii), no lien has ever been imposed by any governmental agency on any of the Purchased Assets as a result of the violations of Environmental Laws (as defined below).

(ii) Except as set forth in Schedule 3.1(t), (A) Seller has no material liability under, nor has it ever violated, any Environmental Law (as defined below) with respect to any property listed on Schedule 3.1(j)(ii); (B) each property listed on Schedule 3.1(j)(ii) and any facilities and operations thereon, are presently in compliance with all applicable Environmental Laws; (C) Seller has never entered into or been subject to any judgment, consent decree, compliance order or administrative order with respect to any environmental or health and

safety matter or received any request for information, notice, demand letter, administrative inquiry or formal or informal complaint or claim with respect to any environmental or health and safety matter or the enforcement of any Environmental Law; and (D) Seller has no reason to believe that any of the items enumerated in clause (C) of this Subsection will be forthcoming.

(iii) Except as set forth in Schedule 3.1(t), to Seller's knowledge after due inquiry, no property listed on Schedule 3.1(j)(ii) contains any asbestos or asbestos-containing material, any polychlorinated biphenyls ("PCB"s) or equipment containing PCBs, or any urea formaldehyde foam insulation.

(iv) Seller shall provide at or prior to the Closing to Seller copies of all documents, records, and information available to it concerning any environmental or health and safety matter relevant to Seller regarding any of the property listed on Schedule 3.1(j)(ii), whether generated by Seller or others, including, without limitation, environmental audits, environmental risk assessments, site assessments, documentation regarding off-site disposal of Hazardous Materials, spill control plans and reports, correspondence, permits, licenses, approvals, consents and other authorizations related to environmental or health and safety matters issued by any governmental agency.

(v) For purposes of this Section 3.1(t), (i) "Hazardous Material" shall mean and include any hazardous waste, hazardous material, hazardous substance, petroleum product, oil, toxic substance, pollutant, contaminant or other substance which may pose a threat to the environment or to human health or safety, as defined or regulated under any Environmental Law; (ii) "Hazardous Waste" shall mean and include any hazardous waste as defined or regulated under any Environmental Law; and (iii) "Environmental Law" shall mean any environmental or health and safety-related law, regulation, rule, ordinance or bylaw at the foreign, federal, state or local level, whether existing as of the date hereof, previously enforced or subsequently enacted.

(u) Disclosure. This Agreement and the schedules, attachments, written statements, documents, certificates, or other items prepared or supplied to Buyer by or on behalf of the Seller with respect to the transactions contemplated in this Agreement are complete and authentic, and all contracts and other agreements or instruments included thereunder are valid, subsisting and binding on the parties thereto in accordance with their terms. Neither this Agreement nor any of the schedules, attachments, written statements, documents, certificates, or other items prepared or supplied to the Buyer by or on behalf of the Seller with respect to the transactions contemplated in this Agreement contain any untrue statement of a material fact or omit a material fact necessary to make each statement contained herein or therein not misleading. Neither the Seller nor any responsible officer or manager has intentionally concealed any fact known by such person to have a Material Adverse Effect on the Purchased Assets.

(v) Investor Qualifications.

(i) Seller understands that the Seller's Shares to be received in partial payment of the Purchase Price are characterized as "restricted securities" under the federal securities laws inasmuch as they are being received from the Buyer in a transaction not involving a public offering, are being offered and sold without registration under the Securities Act of 1933, as amended (the "Securities Act") in a private placement that is exempt from the registration provisions of the Securities Act and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in limited circumstances. Seller understands that it must bear the economic risk of the acquisition of the Seller's Shares made in connection herewith for an indefinite period of time because, among other reasons, the Seller's Shares have not been registered under the Securities Act or under the securities laws of certain states and, therefore, cannot be resold, assigned or otherwise disposed of unless they are subsequently registered under the Securities Act and under the applicable securities laws of such states or an exemption from such registration is available. Seller further understands that the certificate representing the Seller's Shares shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER AND COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS";

(ii) Seller understands that the Seller's Shares being acquired will be subject to a First Refusal and Stock Restriction Agreement by and among the Seller and the other parties thereto (the "First Refusal Agreement"). Seller further understands that the certificate representing the Seller's Shares shall bear a legend in substantially the following form:

"THE TRANSFER OF THESE SECURITIES IS SUBJECT TO THE CONDITIONS SPECIFIED IN THE FIRST REFUSAL AND TRANSFER RESTRICTION AGREEMENT DATED AS OF THE DATE HEREOF AS SUCH MAY BE AMENDED FROM TIME TO TIME, BY AND AMONG INTERNETWORK EXPERTS, INC. (THE "COMPANY") AND THE PARTIES THERETO. COPIES OF SUCH AGREEMENTS MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE COMPANY.";

(iii) Seller can bear the economic risk of its investment in the Seller's Shares and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and the risks of the investment in Buyer.

Seller understands that the value of the Seller's Shares may fluctuate from time to time and that the per share value of the Seller's Shares set forth in Section 1.6 is not a representation by Buyer that Seller could now or at any time in the future receive that per share amount in connection with any transaction involving the Seller's Shares. Seller has been furnished with all materials relating to the business, finances and operations of the Buyer which have been requested, including, without limitation all certificates, instruments, agreements and other documents defining the rights, limitations and preferences of the Seller's Shares. Seller has conducted its own investigation of the Buyer and is not relying on any representations or warranties of the Buyer other than those expressly set forth herein. Seller understands that the Buyer is under no obligation to register the Seller's Shares on its behalf; and

(iv) Seller is acquiring the Seller's Shares for its own account with the present intention of holding such securities for purposes of investment, and that it has no intention of selling such securities in a public distribution in violation of the federal securities laws or any applicable state securities laws.

3.2 REPRESENTATIONS AND WARRANTIES OF THE BUYER. The Buyer represents and warrants to the Seller that the statements contained in this Section 3.2 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout this Section 3.2), except as set forth in Schedule 3.2 attached hereto.

(a) Organization of the Buyer. The Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation.

(b) Authorization of Transaction. The Buyer has full power and authority (including full corporate power and authority) to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes the valid and legally binding obligation of the Buyer, enforceable in accordance with its terms and conditions. The Buyer need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

(c) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer is subject, or any provision of the Buyer's charter or bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets is subject.

(d) Brokers' Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which the Seller could become liable or obligated.

ARTICLE IV.
COVENANTS OF THE SELLER AND THE SHAREHOLDERS

The Seller and the Shareholders jointly and severally covenant and agree with the Buyer as follows:

4.1 CONSUMMATION OF AGREEMENT. The Seller shall use commercially reasonable efforts to perform and fulfill all conditions and obligations on its part to be performed and fulfilled under this Agreement, to the end that the transactions contemplated by this Agreement shall be fully carried out.

4.2 SATISFACTION OF CONDITIONS. The Seller will use reasonable efforts to obtain as promptly as practicable the satisfaction of the conditions to Closing set forth in Article VI and any necessary consents or waivers under or amendments to leases and other contracts by which the Seller is bound.

4.3 NOTICES AND CONSENTS. The Seller will give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies.

4.4 REGULAR COURSE OF BUSINESS. The Shareholders will not cause or permit the Seller to engage in any practice, take any action, or enter into any transaction outside the Ordinary Course of Business. Further, the Shareholders will cause the Seller to operate the Network Installation Business in accordance with the reasonable judgment of its management diligently and in good faith, consistent with past management practices, and continue to use its reasonable efforts to keep available the services of present officers and employees (other than planned retirements) and to preserve its present relationships with persons having business dealings with it. The Shareholders will not cause or permit the Seller to take any actions which would require a supplement or amendment to the items required to be disclosed pursuant to Section 3.1. Further, between the date of this Agreement and the Closing Date, the Seller will:

(a) communicate regularly with Buyer and keep Buyer closely advised of any material developments relating to the Seller and the Purchased Assets;

(b) pay all of its trade accounts payable in the Ordinary Course of its Business;

(c) maintain its books and records in the usual, regular and ordinary manner, on a basis consistent with prior periods, and will comply with all laws applicable to each;

(d) keep and maintain all approvals, authorizations, consents, licenses, domain name registrations, operating authorities, certificates of public convenience, orders and other permits in full force and effect, continue to operate the Network Installation Business pursuant to such approvals, authorizations, consents, licenses, operating authorities, certificates of public

convenience, orders and other permits and take all steps necessary to meet requirements on pending applications for approvals, authorizations, consents, licenses, operating authorities, certificates of public convenience, orders and permits; and

(e) not increase the discounts or other sales promotions it offers to customers over the discounts and promotions offered by the Seller during the 3 month period immediately preceding the date of this Agreement.

4.5 PRESERVATION OF BUSINESS. Seller agrees that the Purchased Assets will be used, preserved, and maintained, as far as practicable, in the Ordinary Course of Business, to the same extent and in the same condition as said assets, property, and rights are used, preserved and maintained on the date of this Agreement, and no unusual or novel methods of purchase, sale, management, or operation of said Purchased Assets or the Network Installation Business will be made or instituted. Without the prior consent of Buyer, Seller will not encumber any of the Purchased Assets or make any commitments relating to such assets, property, or business, except in the Ordinary Course of Business.

4.6 INSURANCE. The Seller will keep or cause to be kept in effect and undiminished the insurance now in effect on its various properties and assets, and will purchase such additional insurance, at Buyer's cost, as Buyer may request.

4.7 EMPLOYEES. The Seller will not to grant to any employee of the Seller any promotion, any increase in compensation, or any bonus or other award other than promotions, increases, or awards that are regularly scheduled in the Ordinary Course of Business or contemplated on the date of this Agreement or that are, in the reasonable judgment of management of the Seller, in its best interest.

4.8 NO VIOLATIONS. The Seller will comply in all material respects with all statutes, laws, ordinances, rules, and regulations applicable to the Network Installation Business.

4.9 PUBLIC ANNOUNCEMENTS. The Shareholders will not and will cause the Seller not to issue any press release or other announcement to the employees, customers, or suppliers of the Seller related to this Agreement or this purchase without the approval of Buyer, unless required by law, in which case Buyer and the Seller will consult with each other regarding the announcement.

4.10 COMPANY EXAMINATIONS AND INVESTIGATIONS. Prior to the Closing Date, the Seller agrees that the Buyer shall be entitled, through its employees and representatives, including, without limitation, its attorneys and accountants, to make such investigation of the Seller and such examination of the books, records and financial condition of the Seller as the Buyer reasonably desires. Any such investigation and examination shall be conducted at reasonable times and under reasonable circumstances and the Seller shall cooperate fully therein. In order that the Buyer may have full opportunity to make such business, accounting and legal review, examination or investigation as it may wish of the business and affairs of the Seller, the Seller shall furnish the representatives of the Buyer during such period with all such information concerning the affairs of the Seller as such representatives may reasonably request and cause its officers, employees, consultants, agents, accountants and attorneys to cooperate fully with such

representatives in connection with such review and examination and to make full disclosure to the Buyer of all material facts affecting the financial condition and business operation of the Seller.

4.11 CONTINUED EFFECTIVENESS OF REPRESENTATIONS AND WARRANTIES OF THE SELLER. From the date hereof through the Closing Date, the Seller shall conduct its Network Installation Business in a commercially reasonable manner and in such a manner so that the representations and warranties contained in Section 3.1 shall continue to be true and correct on and as of the Closing Date as if made on and as of the Closing Date.

4.12 SUPPLEMENTS TO SCHEDULES. From time to time prior to the Closing, the Seller will promptly supplement or amend the disclosure schedules with respect to any matter hereafter arising that, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in any schedule and will promptly notify Buyer of any breach by Seller that it discovers of any representation, warranty, or covenant contained in this Agreement. No supplement or amendment of any Schedule made pursuant to this section will be deemed to cure any breach of any representation of or warranty made in this Agreement unless Buyer specifically and reasonably agrees thereto in writing.

4.13 NO SOLICITATION. Until the Closing or termination pursuant to Article VIII of this Agreement, neither Seller nor any of its respective directors, officers, employees, or agents shall, directly or indirectly, encourage, solicit, initiate, or enter into any discussions or negotiations concerning any disposition of any of the capital stock or all or substantially all of the assets of the Seller (other than pursuant to this Agreement), or any proposal therefor, or furnish or cause to be furnished any information concerning the Seller to any party in connection with any transaction involving the acquisition of the capital stock or the Purchased Assets of the Seller by any person other than the Buyer. The Seller will promptly inform the Buyer of any inquiry (including the terms thereof and the person making such inquiry) received by any responsible officer or director of Seller after the date hereof and believed by such person to be a bona fide, serious inquiry relating to any such proposal.

4.14 LOSS OR THREATENED LOSS OF CUSTOMER OR SUPPLIER. Other than as set forth on Schedule 4.14, prior to the Closing, the Seller shall promptly notify the Buyer in the event of a loss or threatened loss of any material supplier, customer or affiliate of the Seller, and shall cause employees of the Seller to be made available to call upon such customer, supplier or affiliate, together with the Buyer to assist the Buyer in regaining or retaining such customer, supplier or affiliate.

ARTICLE V.
COVENANTS OF THE BUYER

The Buyer covenants and agrees with the Seller as follows:

5.1 EFFORTS OF THE BUYER. Buyer shall use commercially reasonable efforts to perform and fulfill all conditions and obligations on its part to be performed and fulfilled under this Agreement, to the end that the transactions contemplated by this Agreement shall be fully carried out.

5.2 PUBLIC ANNOUNCEMENTS. Subject to applicable law, at all times the Buyer will promptly advise, and obtain the approval of, the Seller before issuing or permitting any of the Buyer's directors, officers, employees, representatives, agents or subsidiaries to issue any press release with respect to this Agreement or the transactions contemplated hereby.

5.3 NOTICES AND CONSENTS. The Buyer will give any notices to, make any filings with, and use its reasonable best efforts to obtain any authorizations, consents, and approvals of governments and governmental agencies.

5.4 NOTICE OF DEVELOPMENTS. The Buyer will give prompt written notice to the Seller of any material development causing a breach of any of its own representations and warranties in Section 3.2 above.

ARTICLE VI.
CONDITIONS TO THE BUYER'S OBLIGATIONS

Each and every obligation of the Buyer under this Agreement is subject to the satisfaction, at or before the Closing, of each of the following conditions:

6.1 REPRESENTATIONS AND WARRANTIES; PERFORMANCE. Each of the representations and warranties made by the Seller and the Shareholders herein will be true and correct in all material respects as of the Closing with the same effect as though made at that time except for changes specifically contemplated, permitted, or required by this Agreement; the Seller will have performed and complied with all agreements, covenants, and conditions required by this Agreement to be performed and complied with by it prior to the Closing; and the Buyer will have received, at the Closing, a certificate of the Chief Executive Officer of the Seller stating that each of the representations and warranties made by the Seller herein is true and correct in all material respects as of the Closing except for changes contemplated, permitted, or required by this Agreement and that the Seller has performed and complied with all agreements, covenants, and conditions required by this Agreement to be performed and complied with by it prior to the Closing. For the purposes of this section and determining whether a provision has been breached in a material respect, any representation or warranty of a party that is qualified by a materiality standard shall be read without regard to any such materiality qualification as if such qualification were not contained herein.

6.2 LITIGATION. No material action, suit, or proceeding before any court, governmental or regulatory authority will have been commenced and be continuing, and no investigation by any governmental or regulatory authority will have been commenced and be continuing, and no action, investigation, suit, or proceeding will be threatened at the time of Closing, against the Seller, the Shareholders, the Buyer or any of their Affiliates, associates, officers, managers or directors, seeking to restrain, prevent, or change the transactions contemplated hereby, questioning the validity or legality of the transactions contemplated hereby, or seeking damages in connection with the transactions contemplated hereby.

6.3 ABSENCE OF MATERIAL CHANGE. From the date of this Agreement to the Closing, there has not occurred any event, change, effect, act, discovery, or occurrence (or any combination of the foregoing) (whether or not referred to or described herein or in any Exhibit or

Schedule hereto) that individually or in the aggregate would have, or would reasonably be expected to have, a Material Adverse Affect.

6.4 COMPANY ACTION. The Seller will have furnished to the Buyer a copy, certified by an officer of the Seller, of the resolutions of the Seller and the Shareholders authorizing the execution, delivery and performance of this Agreement.

6.5 CONSENTS. The Seller shall have made all filings with and notifications of governmental authorities and regulatory agencies required to be made by it in connection with the execution and delivery of this Agreement, the performance of the transactions contemplated hereby and the continued operation of the Seller's business by the Buyer subsequent to the Closing, and the Buyer shall have received such governmental consents or permits required to use and own the Purchased Assets, if any.

6.6 RELEASE OF LIENS. All encumbrances on the Purchased Assets shall have been terminated and released, and the Buyer shall have received releases and such other documents evidencing such transactions.

6.7 BILL OF SALE AND ASSIGNMENT AGREEMENT. The Seller shall have executed and delivered a Bill of Sale and Assignment Agreement in substantially the same form as the agreement attached hereto as Exhibit "A."

6.8 EMPLOYMENT AGREEMENTS. The Buyer and each of David Peoples, Don Smith, David DeYoung, John C'Bebaca and each other employee of Seller that has been extended an offer of employment with Buyer shall each have executed and delivered the Buyer's form of Employment Agreement.

6.9 CONFIDENTIALITY, DEVELOPMENT AND NON-INTERFERENCE AGREEMENT. The Buyer and each of the David Peoples, Don Smith, David DeYoung, John C'Bebaca and each other employee of Seller that has been extended an offer of employment with Buyer shall have executed and delivered the Buyer's form of Confidentiality, Development and Non-Interference Agreement.

6.10 LEGAL OPINION OF SELLER'S COUNSEL. The Buyer shall have received an opinion of Seller's legal counsel, Strasburger & Price, LLP, in a form acceptable to Buyer

6.11 FIRST REFUSAL AND TRANSFER RESTRICTION AGREEMENT. The Seller, the Shareholders and each other party thereto shall have executed the First Refusal and Transfer Restriction Agreement in a form mutually acceptable to the Seller, the Shareholders and the Buyer which restricts the transfer of the Seller's Shares.

ARTICLE VII.
CONDITIONS TO THE SELLER'S OBLIGATIONS

Each and every obligation of the Seller under this Agreement is subject to the satisfaction, at or before the Closing, of each of the following conditions:

7.1 REPRESENTATIONS AND WARRANTIES; PERFORMANCE. Each of the representations and warranties made by the Buyer herein will be true and correct in all material respects as of the Closing with the same effect as though made at that time except for changes contemplated, permitted, or required by this Agreement; the Buyer will have performed and complied with all agreements, covenants, and conditions required by this Agreement to be performed and complied with by it prior to the Closing; and the Seller will have received, at the Closing, a certificate of the Buyer, stating that each of the representations and warranties made by the Buyer herein is true and correct in all material respects as of the Closing except for changes contemplated, permitted, or required by this Agreement and that the Buyer has performed and complied with all agreements, covenants, and conditions required by this Agreement to be performed and complied with by it prior to the Closing. For the purposes of this section and determining whether a provision has been breached in a material respect, any representation or warranty of a party that is qualified by a materiality standard shall be read without regard to any such materiality qualification as if such qualification were not contained herein.

7.2 CORPORATE ACTION. The Buyer will have furnished to the Seller a copy, certified by an officer of the Buyer, of the resolutions of the Buyer authorizing the execution, delivery, and performance of this Agreement.

7.3 ABSENCE OF MATERIAL CHANGE. From the date of this Agreement to the Closing, there has not occurred any event, change, effect, act, discovery, or occurrence (or any combination of the forgoing) (whether or not referred to or described herein or in any Exhibit or Schedule hereto) that individually or in the aggregate would have, or would reasonably be expected to have, a Material Adverse Effect.

7.4 BILL OF SALE AND ASSIGNMENT AGREEMENT. The Buyer shall have executed and delivered a Bill of Sale and Assignment Agreement in substantially the same form as the agreement attached hereto as Exhibit "A."

7.5 EMPLOYMENT AGREEMENTS. The Buyer and each of David Peoples, Don Smith, David DeYoung and John C'Bebaca shall each have executed and delivered the Buyer's form of Employment Agreement.

7.6 CONFIDENTIALITY, DEVELOPMENT AND NON-INTERFERENCE AGREEMENT. The Buyer and each of the Seller, David Peoples, Don Smith, David DeYoung and John C'Bebaca shall have executed and delivered the Buyer's form of Confidentiality, Development and Non-Interference Agreement.

7.7 PURCHASE PRICE. The Buyer shall have tendered delivery of the amount set forth in Section 1.5(a) to the Seller.

ARTICLE VIII. TERMINATION

8.1 TERMINATION BY BUYER. The Buyer may terminate this Agreement by giving written notice to the Seller at any time prior to the Closing (a) in the event Seller has breached any representation, warranty, or covenant contained in this Agreement in any material respect, the Buyer has notified the Seller of the breach, and the breach has continued without cure for a

period of 15 days after the notice of breach or is otherwise not reasonably susceptible to cure or (b) if the Closing shall not have occurred on or before April 15, 2003 by reason of the failure of any condition precedent under Article VI hereof (unless the failure results primarily from the Buyer breaching any representation, warranty, or covenant contained in this Agreement). For the purposes of this section and determining whether a provision has been breached in a material respect, any representation or warranty of a party that is qualified by a materiality standard shall be read without regard to any such materiality qualification as if such qualification were not contained herein.

8.2 TERMINATION BY SELLER. The Seller may terminate this Agreement by giving written notice to the Buyer at any time prior to the Closing (A) in the event the Buyer has breached any representation, warranty, or covenant contained in this Agreement in any material respect, the Seller has notified the Buyer of the breach, and the breach has continued without cure for a period of 15 days after the notice of breach or is otherwise not reasonably susceptible to cure or (B) if the Closing shall not have occurred on or before April 15, 2003 by reason of the failure of any condition precedent under Article VII hereof (unless the failure results primarily from Seller breaching any representation, warranty, or covenant contained in this Agreement). For the purposes of this section and determining whether a provision has been breached in a material respect, any representation or warranty of a party that is qualified by a materiality standard shall be read without regard to any such materiality qualification as if such qualification were not contained herein.

8.3 TERMINATION BY MUTUAL CONSENT. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and abandoned at any time prior to the Closing without further obligation or liability on the part of any party by the mutual written consent of the Buyer and the Seller.

8.4 EFFECT OF TERMINATION. If this Agreement terminates pursuant to any provision of this Article VIII and the transactions contemplated hereunder are not consummated, this Agreement shall be null and void and have no further force or effect, except that any such termination shall be without prejudice to the rights of any party on account of the nonsatisfaction of the conditions set forth in Articles VI and VII resulting from the breach or violation of the representations, warranties, covenants or agreements of another party under this Agreement.

ARTICLE IX. INDEMNIFICATION

9.1 SURVIVAL. Each covenant or agreement in this Agreement shall survive the Closing without limitation as to time until fully performed in accordance with its terms and each representation and warranty in this Agreement or in the Schedules shall survive the Closing until the twelve-month anniversary of the Closing Date (the "Survival Date"): Notwithstanding the foregoing, the following representations and warranties (collectively, the "Specified Representations") shall survive the Closing as follows: (a) the representations and warranties contained in Sections 3.1(a), (b), (c), (d), (g) and (r), and 3.2 shall survive the Closing without limitation as to time, and (b) the representations and warranties contained in Sections 3.1(i), 3.1(p) and 3.1 (t) shall survive the Closing until 30 days after the expiration of the statutes of limitations, if any, applicable to the matters addressed therein. Any claim for indemnification

under Section 9.2 or Section 9.3 must be notified prior to the termination of the relevant survival period.

9.2 INDEMNIFICATION BY THE SELLER AND THE SHAREHOLDERS. From and after the date hereof, the Seller and the Shareholders agree, jointly and severally, to indemnify fully, hold harmless, protect and defend the Buyer and its Affiliates, and their respective directors, officers, agents and employees, successors and assigns from and against:

(a) any and all Losses (as defined below) incurred by any of them arising out of, relating to or based upon any inaccuracy in, or breach of, any of the representations or warranties of any of the Seller or the Shareholders contained in this Agreement or in the Schedules or Exhibits hereto;

(b) any and all Losses incurred by any of them arising out of, relating to or based upon any failure to perform, or other breach of, any of the covenants or agreements of any of the Seller or the Shareholders contained in or incorporated into this Agreement or in the Schedules or Exhibits hereto;

(c) any and all Losses incurred by any of them arising out of, relating to or based upon any of Seller's assets that are not Purchased Assets or any of the Retained Liabilities;

(d) any and all Losses incurred by any of them arising out of, relating to or based upon Seller's ownership and use of the Purchased Assets prior to the Closing, including any Liability for any Taxes;

(e) any and all Losses incurred by any of them arising out of, relating to or based upon the operation of Seller's business prior to or after the Closing; and

(f) any and all Losses incurred by any of them arising out of, relating to or based upon any claims made for workers' compensation benefits or under any Employee Benefit Plan due with respect to any event occurring or circumstance existing prior to the Closing. The right of the Buyer and its Affiliates (and their respective directors, officers, agents and employees, successors and assigns) to be indemnified hereunder shall not be limited or affected by any investigation conducted or notice or knowledge obtained by or on behalf of any such Persons. "Losses" shall mean any and all losses, costs, claims, damages, Taxes, Liabilities, obligations, judgments, settlements, awards, demands, offsets, reasonable out-of-pocket costs, expenses and attorneys' fees (including any such reasonable costs, expenses and attorneys' fees incurred in enforcing a party's right to indemnification against any indemnifying party or with respect to any appeal) and penalties and interest, if any.

9.3 INDEMNIFICATION BY THE BUYER. From and after the date hereof, the Buyer agrees to indemnify fully, hold harmless, protect and defend the Seller and Shareholders from and against any and all Losses incurred by any of them arising out of, relating to or based upon (a) any inaccuracy in, or breach of, any of the representations or warranties of the Buyer contained in this Agreement or in the Schedules or Exhibits hereto; (b) any failure to perform, or other breach of, any of the covenants or agreements of the Buyer contained in this Agreement or in the Schedules or Exhibits hereto; and (c) the Buyer's ownership of the Purchased Assets after the Closing Date. The right of the Seller to be indemnified hereunder shall not be limited or affected

by any investigation conducted or notice or knowledge obtained by or on behalf of any such Persons.

9.4 PROCEDURE FOR INDEMNIFICATION FOR THIRD PARTY CLAIMS.

(a) Promptly after receipt by an indemnified party under Sections 9.2 and 9.3 of notice of the commencement of any proceeding against it, such indemnified party will, if a claim is to be made against an indemnifying party under such Section, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any Liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any proceeding referred to in Section 9.4(a) is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such proceeding, the indemnifying party will be entitled to participate in such proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such proceeding and the indemnified party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend such proceeding and provide indemnification with respect to such proceeding), to assume the defense of such proceeding with counsel satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the indemnified party under this Article IX for any fees of other counsel or any other expenses with respect to the defense of such proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims made in that proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent, which shall not be unreasonably withheld, unless (A) there is no finding or admission of any violation of law or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (iii) the indemnified party will have no Liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any proceeding and the indemnifying party does not, within 10 days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such proceeding, the indemnifying party will be bound by any determination made in such proceeding or any compromise or settlement effected by the indemnified party.

(c) Notwithstanding the foregoing, if an indemnified party determines in good faith that there is a reasonable probability that a proceeding may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise, or settle such proceeding, but the

indemnifying party will not be bound by any determination of a proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(d) The Seller and the Shareholders hereby consent to the non-exclusive jurisdiction of any court in which a proceeding is brought by a third party against any indemnified person for purposes of any claim that an indemnified person may have under this Agreement with respect to such proceeding or the matters alleged therein, and agree that process may be served on the Seller or the Shareholders with respect to such a claim anywhere in the world.

9.5 SET-OFF RIGHTS; CHARACTER OF INDEMNITY PAYMENTS. The indemnifying party shall promptly pay the indemnified party any amount due under this Article IX. Buyer shall have the right, but not the obligation, to set-off against the Seller's Shares any amount to which Seller or the Shareholders may be obligated to pay Buyer under the terms of this Agreement, unless the Seller's shares shall have been forfeited pursuant to Section 2.18 of this Agreement. The number of Seller's Shares used to set-off any amount to which Buyer may be entitled under this Agreement shall be determined by dividing the proposed set-off amount by \$0.20 (the per share value of the Seller's Shares as specified in Section 1.6). If, contrary to the intent of the parties, any payment made pursuant to this Article IX is treated as taxable income to the recipient, then the payor shall indemnify and hold harmless the recipient from any Liability for Taxes attributable to the receipt of such payment. For purposes of this Section 9.5, the indemnified party will be considered to be liable for Tax in respect of any payment treated as taxable income at the highest marginal tax rate then in effect for corporations in the jurisdiction so characterizing the payment for the year such payment is considered to be earned by the indemnified party.

ARTICLE X.

MISCELLANEOUS

10.1 NOTICES. All notices, communications and deliveries hereunder shall be made in writing signed by the party making the same, shall specify the Section hereunder pursuant to which it is given or being made, and shall be delivered by registered or certified mail (with postage and other fees prepaid) as follows:

To Buyer: InterNetwork Experts, Inc.
Attn: Mark Hilz, Chief Executive Officer
15960 Midway Road, Suite 101
Addison, Texas 75001
Telecopy: 972.620.0562
Email: mark.hilz@inetx.com

With a copy to: Sayles, Lidji & Werbner
Attn: Michael R. Dorey
4400 Renaissance Tower
1201 Elm Street

Dallas, Texas 75270
Telecopy: 214.939.8787
Email: mdorey@slw.com

To Seller: Digital Precision, Inc.
Attn: David Peoples, Chief Executive Officer
8601 RR 222
Building I, Suite 100
Austin, Texas 78730
Telecopy: 512.795.8844
Email: dpeoples@dprecision.com

with a copy to: Strasburger & Price, LLP
Attn: Lee Polson
600 Congress Avenue
Suite 2600
Austin, TX 78731
Telecopy: 512.536.5719
Email: Lee.Polson@Strasburger.com

or to such other representative or at such other address of a party as such party hereto may furnish to the other parties in writing. Such notice shall be effective upon the date of delivery or the intended recipient's refusal to accept delivery. After any notice is made hereunder, the party taking such action will use its best efforts to deliver a copy of such notice to the e-mail address of the intended recipients as soon as practical but in no event later than 12 hours after such action has been taken.

10.2 ATTACHMENTS. All schedules and exhibits attached hereto are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement.

10.3 ASSIGNMENT; SUCCESSORS IN INTEREST No assignment or transfer by any party of its respective rights and obligations hereunder shall be made except with the prior written consent of the other parties hereto, except the Buyer shall be permitted to assign its rights and obligations hereunder to one of its Affiliates, but no such assignment will release the Buyer from its obligations hereunder. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns and any reference hereto shall also be a reference to a permitted successor or assign.

10.4 NUMBER; GENDER. Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders.

10.5 CAPTIONS. The titles and captions contained in this Agreement are inserted herein only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof. Unless otherwise specified to the contrary, all references to Articles and Sections are references to Articles and Sections of this Agreement and all references to Exhibits are references to Exhibits to this Agreement.

10.6 CONTROLLING LAW; VENUE; INTEGRATION; AMENDMENT. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to choice of law provisions, statutes, regulations or principles of this or any other jurisdiction. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts of the State of Texas for any action, suit or proceeding arising in connection with this Agreement, and agrees that any such action suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other jurisdiction to venue therein). This Agreement (and the related written agreements to be entered into in connection with this Agreement) supersedes all negotiations, agreements and understandings among the parties with respect to the subject matter hereof and constitutes the entire agreement among the parties hereto. This Agreement may not be amended, modified or supplemented except by the written agreement of the Seller and the Buyer. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.7 COUNTERPARTS. This Agreement may be executed in counterparts, including the signature pages, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. In addition, the parties agree that the counterparts of this Agreement so signed may be evidenced by delivery of a telecopy or other electronic transmission of the signature page image to this Agreement to the other party at the number listed in Section 10.1 and that such telecopied signature pages shall be treated for all purposes as original signatures to this Agreement.

10.8 ENFORCEMENT OF CERTAIN RIGHTS. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation other than the parties hereto, their successors or permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, or result in such person firm or corporation being deemed a third party beneficiary of this Agreement.

10.9 WAIVER. Any agreement on the part of a party hereto to any extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. A waiver by one party of the performance of any covenant, agreement, obligation, condition, representation or warranty shall not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any party of the performance of any act shall not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

10.10 ARBITRATION; LEGAL PROCEEDINGS.

(a) The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement, the breach, termination or validity hereof or the transactions contemplated herein promptly by negotiation between a representative of the Buyer and the Seller. Either the Seller or the Buyer may give the other written notice that a dispute exists (a "Notice of Dispute"). The Notice of Dispute shall include a statement of such party's position

and the name and title of the representative who will represent such party. Within ten (10) days of the delivery of the Notice of Dispute, a representative from each party hereto shall meet at a mutually acceptable time and place, and thereafter as long as they reasonably deem necessary, to attempt to resolve the dispute. All documents and other information or data on which each party relies concerning the dispute shall be furnished or made available on reasonable terms to the other party at or before the first meeting of the parties as provided by this paragraph.

(b) Any controversy or claim arising out of or relating to this Agreement, the breach, termination or validity hereof, or the transactions contemplated herein, if not settled by negotiation as provided in paragraph (a) of this Section 10.10, shall be settled by arbitration in accordance with the Commercial Arbitration Rules ("CAR") of the American Arbitration Association ("AAA"), by one arbitrator selected by mutual agreement of the parties. In the event the parties cannot agree to an arbitrator, the arbitrator shall be selected by the CAR, Selection of Arbitrators. Either party may initiate arbitration twenty (20) days following the delivery of a Notice of Dispute if the dispute has not then been settled by negotiation, or sooner if the other party fails to participate in negotiation in accordance with paragraph (a) above. The arbitration procedure shall be governed by the United States Arbitration Act, 9 U.S.C. Section 1-16 (the "Act"), shall be held in Dallas, Texas, and the award rendered by the arbitrator shall be final and binding on the parties and may be entered in any court having jurisdiction thereof, subject to the court's authority to modify or review the award as provided in the Act.

(c) Each party shall bear its own costs and shall share equally the fees and expenses of the arbitrators.

10.11 RELIANCE ON COUNSEL AND OTHER ADVISORS. Each party has consulted such legal, financial, technical or other experts as it deems necessary or desirable before entering into this Agreement. Each party represents and warrants that it has read, knows, understands and agrees with the terms and conditions of this Agreement.

10.12 INJUNCTIVE RELIEF. The parties to this Agreement hereby agree that any remedy at law for any breach of the provisions contained in this Agreement shall be inadequate and that any party, to the extent permitted by applicable law, shall be entitled to injunction relief in addition to any other remedy such party might have under this Agreement.

10.13 SEVERABILITY. If a judicial or arbitral determination is made that any of the provisions of this Agreement constitutes an unreasonable or otherwise unenforceable restriction against the Seller or any Shareholder the provisions of this Agreement shall be rendered void only to the extent that such judicial or arbitral determination finds such provisions to be unreasonable or otherwise unenforceable with respect to the Seller.

10.14 ACCESS TO ELECTRONIC COPIES. Any party to this Agreement who, directly or through its agents or attorneys, has access to digital electronic copies of this Agreement (including attachments hereto) in a commercially available word processing program or plain text format, shall promptly provide such electronic copies of this Agreement (including attachments hereto) to the other parties hereto upon request.

Remainder Intentionally Left Blank

IN WITNESS WHEREOF, each of the parties hereto has executed this Asset Purchase Agreement as of this 4th day of April, 2003.

BUYER:

INTERNETWOK EXPERTS, INC.

By: /s/ Mark Hilz

Mark Hilz, Chief Executive Officer

SELLER:

DIGITAL PRECISION, INC.

By: /s/ David Peoples

David Peoples, Chief Executive Officer

SHAREHOLDERS:

/s/ David Peoples

DAVID PEOPLES

/s/ Don Smith

DON SMITH

JOHN C' DE BACA

/s/ David DeYoung

DAVID DEYOUNG

EXHIBIT A

BILL OF SALE AND ASSIGNMENT AGREEMENT

BILL OF SALE AND ASSIGNMENT AGREEMENT

This Bill of Sale and Assignment Agreement is entered into as of April 4, 2003 by and between InterNetwork Experts, Inc., a Delaware corporation (the "Purchaser"), and Digital Precision, Inc., a Texas corporation (the "Seller").

The following recitals are true and constitute the basis for this agreement:

- A. Purchaser and Seller are parties to that certain Asset Purchase Agreement dated April 4, 2003 (the "Purchase Agreement"), providing for, among other things, the sale to Purchaser of the Purchased Assets for consideration in the amount and on the terms and conditions set forth in the Purchase Agreement (capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Purchase Agreement); and
- B. Seller and Purchaser desire to execute and deliver this Bill of Sale and Assignment Agreement in order to evidence the vesting in Purchaser of the Purchased Assets.

NOW, THEREFORE, the parties hereto agree as follows:

1. CONVEYANCE OF PURCHASED ASSETS. In consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller has, effective from and after the date hereof, conveyed, granted, sold, transferred, set over, assigned, delivered and confirmed, and by this Bill of Sale and Assignment Agreement does, effective from and after the date hereof, convey, grant, sell, transfer, set over, assign, deliver and confirm unto Purchaser, its successors and assigns, the Purchased Assets as of the date hereof, together with all and singular the rights and appurtenances thereto in any way belonging, free and clear of all liens, claims and encumbrances except for Permitted Encumbrances.

2. NO THIRD PARTY BENEFICIARIES. Nothing in this Bill of Sale and Assignment Agreement, express or implied, is intended or shall be construed to confer upon or give to any person, firm or corporation other than Purchaser, Seller and their respective successors and assigns, any remedy or claim under or by reason of this Bill of Sale and Assignment Agreement.

3. FURTHER ASSURANCES. Seller for itself, its successors and assigns, hereby covenants and agrees that, at any time and from time to time forthwith upon the request of Purchaser, Seller will promptly execute and deliver, or cause to be executed and delivered, to Purchaser all such further instruments and take all such further action as may be reasonably necessary or appropriate to more effectively transfer to Purchaser, or to perfect or record Purchaser's title to or interest in, or to enable Purchaser to use, the Purchased Assets assigned or to be assigned to Purchaser.

4. MISCELLANEOUS. This Bill of Sale and Assignment Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of law provisions, statutes, regulations, or principles of this or any jurisdiction. This Bill of Sale and Assignment Agreement may be executed in one or more counterparts, each of which shall be an

original and all of which shall together constitute one instrument. This Bill of Sale and Assignment Agreement is executed by, and shall be binding upon, the Seller and its successors and assigns permitted by the Agreement, for the uses and purposes above set forth and referred to, as of the date hereof. Seller shall indemnify and hold Purchaser harmless and otherwise defend Purchaser against any person claiming title to any of the Purchased Assets, except as may be expressly permitted by the Purchase Agreement.

IN WITNESS WHEREOF, Seller and Purchaser have executed and delivered this Bill of Sale and Assignment Agreement as of the date first written above.

SELLER:

DIGITAL PRECISION, INC.,
A TEXAS CORPORATION

BY: /s/ DAVID PEOPLES

DAVID PEOPLES, CHIEF EXECUTIVE OFFICER

BUYER:

INTERNETWORK EXPERTS, INC.,
A DELAWARE CORPORATION

BY: /s/ MARK HILZ

MARK HILZ, CHIEF EXECUTIVE OFFICER

LIMITED FRAUD GUARANTY

This Limited Guaranty is executed as of August 11, 2003, by James. H. Long ("Guarantor") in favor of Textron Financial Corporation ("Textron") and each of Textron's affiliates (individually and collectively, "Textron"). For purposes of this Limited Guaranty, any party that controls Textron, is controlled by Textron, or is under common control with Textron, shall be deemed an affiliate of Textron.

RECITALS

A. Whereas, Textron has entered into one or more loan agreements (as amended, replaced, substituted or supplemented from time to time, the "Loan Agreements") with:

I-SECTOR CORPORATION ("I-Sector"), together with its following subsidiary companies:
 STRATASOFT, INC. ("Stratasoft"),
 INTERNETWORK EXPERTS, INC. ("INX"),
 VALERENT, INC., formerly ALLSTAR SOLUTIONS, INC. ("Valerent"),

(I-Sector, Stratasoft, INX and Valerent are referred to herein, individually, as an "Obligor" and, collectively, as the "Obligors"); and

B. Whereas, Textron is agreeable to increasing the availability in respect of the existing Loan Agreements by an amount that has been agreed to among Textron and the Obligors on the condition that Guarantor shall execute and deliver this Guaranty to Textron.

AGREEMENT

In consideration of Textron's increasing the availability in respect of the Loan Agreements, as set forth above (which availability shall in all cases continue to be subject to the terms and conditions of the Loan Agreements), Guarantor hereby agrees as follows:

1. Limited Nature of Guaranty. In the event that Textron shall at any time determine, in good faith, that one or more of the Obligors and/or the Guarantor shall have committed a fraud upon Textron under or in connection with the Loan Agreements or this Limited Guaranty (including, without limitation, in connection with the obtaining and/or repayment of loans and credit extended under the Loan Agreements) or shall have made a misrepresentation to Textron of a material fact or circumstance under or in connection with the Loan Agreements or this Limited Guaranty (including, without limitation, in connection with the obtaining and/or repayment of loans and credit extended under the Loan Agreements), which has or could have, in the reasonable opinion of Textron, a material adverse effect on (a) the timely payment of the loans and other credit and amounts payable under the Loan Agreements, (b) the collateral securing such loans, credits and other amounts, (c) the business and/or prospects of any of the Obligors, (d) the Guarantor or (e) this Limited Guaranty (a "Triggering Determination"), Guarantor shall be liable for all amounts payable and all obligations to be performed by Obligors under the Loan Agreements as set forth therein and herein ("Guarantor Liability"). For the avoidance of doubt, Textron shall not assert any Guarantor Liability against Guarantor hereunder unless and until a Triggering Determination shall have been made and communicated in writing to Guarantor.

2. Limited Scope of Guaranty. Subject to the terms and conditions of Section 1 above, Guarantor guarantees to Textron the prompt payment and/or performance of all indebtedness, obligations and liabilities of Obligors at any time owing to Textron, whether direct or indirect, matured or unmatured,

primary or secondary, certain or contingent or acquired or created by Textron (individually, a "Guaranteed Obligation" and, collectively, the "Guaranteed Obligations"). This Limited Guaranty is a guaranty of payment. Subject to the terms and conditions of Section 1 above, Guarantor guarantees to Textron the punctual and faithful performance by Obligors of each and every Guaranteed Obligation. Without limiting the generality of the foregoing, in the event of Guarantor Liability, as referred to in Section 1 above, if any Obligor defaults in the payment or performance of any Guaranteed Obligation, if there exists any event or condition which, with notice and/or the passage of time, would constitute a default under any Guaranteed Obligation (including, without limitation, any cross-defaults by or among the Obligors), or if there is a liquidation, bankruptcy, assignment for the benefit of creditors or similar proceeding affecting the status, existence, assets or obligations of any Obligor, Guarantor shall pay directly to Textron the sums which the Obligors are obligated to pay to Textron, whether by acceleration or otherwise, and promptly perform all other Guaranteed Obligations. In the event of Guarantor Liability, as referred to in Section 1 above, and if Textron is required to return any payment made to Textron by or on behalf of any Obligor, whether as a result of such Obligor's bankruptcy, reorganization or otherwise, Guarantor acknowledges that this Limited Guaranty covers all such amounts, notwithstanding that the original of this Guaranty may have been returned to Guarantor and/or otherwise canceled.

3. Continuing Nature of Guaranty. This Limited Guaranty is a continuing guarantee and shall apply without regard to the form or amount of the Guaranteed Obligations in existence at any time with the following exceptions:

(a) In the event that Guarantor ceases to function as both (i) the Chairman of the Board of Directors and the Chief Executive Officer of I-Sector and (ii) the majority shareholder of I-Sector ("Loss Of Control") and Textron shall have approved of such, in writing prior to the occurrence of the Loss Of Control, which approval shall not be unreasonably withheld, this Limited Guarantee shall apply only to Textron debt obligations of the Obligors that were created from transactions between Textron and the Obligors dated prior to the date of Loss Of Control, and once all debt obligations that were created prior to the Loss Of Control have been fully, finally and indefeasibly repaid to Textron this Limited Guarantee shall terminate without any further action by Guarantor or Textron and all obligations hereunder shall be deemed satisfied in their entirety.

(b) In the event that Guarantor notifies Textron, in writing, that Guarantor will no longer prospectively guarantee the performance of the terms and conditions, including repayment, of monies loaned or financial accommodations provided to any one of the individual Obligors (up to and including all of the Obligors) (the "Terminated Obligor") pursuant to the Loan Agreements ("Termination Notice"), the Guarantor Liability shall be limited to financing extended by Textron to such Terminated Obligor through the date of receipt by Textron of such Termination Notice. If Textron continues to provide financing accommodations, credit, loans or other financing services to any Terminated Obligor after receipt of such Termination Notice, this Limited Guarantee shall apply only to Textron debt obligations of the Terminated Obligor that were created from transactions between Textron and such Terminated Obligor prior to the date of receipt by Textron of such Termination Notice and any credit extended by Textron to the Terminated Obligor after the date of receipt by Textron of such Termination Notice shall not be considered a Guaranteed Obligation. The Guarantor and the Obligors acknowledge and agree that the delivery of a Termination Notice may result, in the sole discretion of Textron, in the immediate cessation of all fundings and loans to the affected Obligor or Obligors by Textron.

4. Nature of Guaranty. In the event of Guarantor Liability, as referred to in Section 1 above, the obligations of Guarantor under this Guaranty shall be absolute and unconditional except as set forth in Section 3 above, and such obligations shall not be reduced, diminished or discharged for any reason, including, :

(a) Modifications and Indulgences. Any modification, renewal or alteration of any agreement, document or instrument relating to any Guaranteed Obligation, or any indulgence, adjustment, preference, extension or compromise made by Textron in favor of any Obligor or Guarantor.

(b) Condition of Obligors or Guarantor. Any insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or similar proceeding affecting any Obligor or Guarantor; any sale, lease or other disposition of any of the assets of any Obligor or Guarantor; any reorganization of, or change in the composition of the shareholders, partners or members of, any Obligor or Guarantor; or any termination of, or other change in, the relationship between any Obligor and Guarantor.

(c) Invalidity of Guaranteed Obligations. The invalidity, illegality or unenforceability of any Guaranteed Obligation for any reason whatsoever, including, but not limited to: the existence of valid defenses, counterclaims or off-sets to any Guaranteed Obligation; the violation of applicable usury laws by any Guaranteed Obligation; or the inauthenticity of any document or instrument relating to the Guaranteed Obligations.

(d) Release of Obligors. Any complete or partial release of any Obligor or any other party from any Guaranteed Obligation (other than as set forth in Section 3 above).

(e) Release of Collateral; Care of Collateral; Status of Liens. Any release, surrender, exchange, deterioration, waste, loss or impairment of any collateral securing payment of any Guaranteed Obligation (the "Collateral"), even if due to Textron's negligence; the failure of Textron or any other party to exercise reasonable care in the preservation, protection, sale or other treatment of any of the Collateral; the failure of Textron to create or properly perfect any security interest intended to be given by any Obligor in connection with any Guaranteed Obligation (a "Security Interest"); the unenforceability of any Security Interest; the subordination of any Security Interest to any other lien or encumbrance; or the taking or accepting by Textron of any other security for, or assurance of payment of, any Guaranteed Obligation.

(f) Other Action or Inaction. Any other action or inaction on the part of Textron, other than a willful action or inaction, whether or not such action or inaction prejudices Guarantor or increases the likelihood that Guarantor will be required to pay or perform any Guaranteed Obligation pursuant to the terms hereof.

It is the obligation of Guarantor to discharge the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether or not particularly described herein. Guarantor is not entering into this Guaranty in reliance on the value or the availability of any of the Collateral. Guarantor acknowledges that Guarantor may be required to pay the Guaranteed Obligations, in full, without the assistance or support of any other party. Guarantor has not been induced to enter into this Guaranty on the basis that any party other than Obligors will be liable to perform any Guaranteed Obligation or that Textron will look to any other party to perform any Guaranteed Obligation. If this Guaranty is signed by more than one party, the obligations of such parties are joint and several and Textron may release, or settle with, any of such parties without affecting the

liability of any other party to this Guaranty. To the extent that this Guaranty is secured by property of Guarantor, Textron shall not be obligated to release its security interest in such property until all applicable preference periods have passed with respect to payments made to Textron by or on behalf of Obligors.

5. Waivers. Guarantor waives:

(a) Action Against Others. Any right to require Textron to: institute suit or exhaust remedies against Obligors or any other party liable for any Guaranteed Obligation; enforce Textron's rights in any of the Collateral or other security which is at any time given to secure any Guaranteed Obligation; enforce Textron's rights against any other guarantor of any Guaranteed Obligation; join Obligors or any other party liable for any Guaranteed Obligation in any action seeking to enforce this Guaranty; or exhaust any other remedies available to Textron or resort to any other means of obtaining payment or performance of any Guaranteed Obligation.

(b) Notices. Notice of the amount of credit extended by Textron to Obligors at any time, whether primary or secondary; notice of the modification or extension of any Guaranteed Obligation; notice of a default or other non-performance by Obligors in connection with any Guaranteed Obligation; notice of the transfer or disposition by Textron of any Guaranteed Obligation; notice of the repossession, sale or other disposition of any of the Collateral; notice of the acceptance of this Guaranty by Textron; demand and presentation for payment upon Obligors or any other party liable for any Guaranteed Obligation; protest, notice of protest and diligence of bringing suit against Obligors or any other party; and any other action or inaction on the part of Textron in connection with this Guaranty or any Guaranteed Obligation.

(c) Subrogation. Any right which Guarantor may at any time have against Obligors, or any other party liable for any Guaranteed Obligation, as the result of the performance by Guarantor of its obligations under this Limited Guaranty, including, but not limited to, contractual, statutory and common law rights of subrogation, reimbursement and indemnification, provided, however, upon the full, final payment to Textron of all of the Guaranteed Obligations by Guarantor hereunder, Guarantor shall, anything contained herein to the contrary notwithstanding, have all contractual, statutory and common law rights of subrogation and reimbursement against the Obligors. In the event that Textron has to disgorge a payment or payments made by the Obligors or the Guarantor for Guaranteed Obligations and, after giving effect to such disgorgement, there remains any Guaranteed Obligations owed to Textron, Guarantor shall remain liable to Textron for such Guaranteed Obligations and this Limited Guaranty, if necessary, shall be deemed reinstated with respect to such Guaranteed Obligations.

(d) Election of Remedies. All defenses Guarantor may have based upon any election of remedies by Textron which destroys or impairs Guarantor's subrogation rights or Guarantor's rights to proceed against Obligors or any other person for reimbursement, including, without limitation, any loss of rights that Guarantor may suffer by reason of any rights, powers or remedies of Obligors in connection with any anti-deficiency laws or any other laws limiting, qualifying or discharging indebtedness of or remedies against Obligors or any other party. The foregoing waivers include any requirement of law that Textron exhaust any security for any loan before proceeding under this Guaranty and any act or omission by Textron which directly or indirectly results in or aids the loss, limitation or impairment of the right to recover any deficiency from Obligors due to Textron's election to proceed under a power of sale set forth in any deed of trust or any other deed of trust, mortgage or lien on real property or due to any fair

value limitations or determinations in connection with a judicial foreclosure of the real property securing any loan. Without limitation of the foregoing, Guarantor waives all rights and defenses arising out of an election of remedies by a creditor, even though that election of remedies, such as a non-judicial foreclosure with respect to security for a Guaranteed Obligation, has destroyed the guarantor's rights of subrogation and reimbursement against the principal.

6. Representations and Warranties. Guarantor represents and warrants to Textron that:

(a) Benefit. Guarantor has received, or will receive, direct or indirect benefit from the creation of the Guaranteed Obligations. Guarantor is the, direct or indirect, beneficial owner of more than a majority of the outstanding shares of each of the Obligors.

(b) No Representation by Textron. Neither Textron nor any other party has made any representation, warranty or statement to Guarantor in order to induce Guarantor to execute this Guaranty.

(c) Financial Condition. As of the date hereof, and after giving effect to this Guaranty and the contingent nature of the obligations contained herein and after giving effect to any subrogation rights provided to Guarantor hereunder, and assuming that the Obligors' assets, collectively, exceed their liabilities, collectively, as of the date hereof, Guarantor is solvent and has assets which, when fairly valued, exceed its liabilities.

7. Governing Law; Miscellaneous. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF RHODE ISLAND, WITHOUT REFERENCE TO APPLICABLE CONFLICT OF LAW PRINCIPLES. GUARANTOR CONSENTS TO THE JURISDICTION AND VENUE OF RHODE ISLAND COURTS IN CONNECTION WITH TEXTRON'S ENFORCEMENT OF ANY OF GUARANTOR'S OBLIGATIONS UNDER THIS GUARANTY. This Guaranty shall not be deemed to create any right in any party except as provided herein and shall inure to the benefit of, and be binding upon, the successors and assigns of Guarantor and Textron. THIS GUARANTY CONSTITUTES THE ENTIRE AGREEMENT OF GUARANTOR AND TEXTRON RELATIVE TO THE SUBJECT MATTER HEREOF. NO MODIFICATION OF, OR SUPPLEMENT TO, THIS GUARANTY SHALL BIND TEXTRON UNLESS THE SAME IS IN WRITING AND IS SIGNED BY AN AUTHORIZED OFFICER OF TEXTRON. Upon the request of Textron, Guarantor shall deliver to Textron certified personal and/or business financial statement(s) and such other financial information as Textron may reasonably request. Guarantor agrees that Textron may, without the consent of, or notice to, Guarantor, assign all or any portion of its rights hereunder to any other party to which any Guaranteed Obligation is transferred, assigned or negotiated. Guarantor shall be liable for all attorneys' fees and other costs and expenses incurred by Textron in connection with Textron's enforcement of this Guaranty.

8. Notices. All notices required to be given hereunder shall be given by U.S. Postal Service Certified Mail, Return Receipt requested, or by receipted overnight delivery using any nationally recognized delivery service, or hand delivered evidenced by a written receipt. Unless otherwise notified in writing, notices shall be provided at the following addresses:

For Textron:
Textron Financial Corporation
1180 WELSH ROAD, SUITE 280
NORTH WALES, PA 19454
Attn: VICE PRESIDENT, CREDIT

For Guarantor:
James H. Long
910 Alkire Lake Drive,
Sugar Land, Texas 77478

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, GUARANTOR'S LIABILITY HEREUNDER SHALL BE SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN SECTION 1 ABOVE.

The undersigned, pursuant to due corporate or partnership authority, as appropriate, has or have caused this Guaranty to be executed as of the date set forth above.

GUARANTOR:

/s/ James H. Long

James H. Long

Agreed to And Approved By I-Sector Corporation:

/s/ Patricia Winstead

Patricia Winstead, Secretary, Vice President and Controller

Agreed to And Approved By Internetwork Experts, Inc.:

/s/ Mark T. Hilz

Mark T. Hilz, President

Agreed to And Approved By Stratasoft, Inc.:

/s/ William R. Hennessy

William R. Hennessy, Vice President and Controller

Agreed to And Approved By Valerent, Inc.:

/s/ Frank Cano

Frank Cano, President

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF HARRIS

Before me, a Notary Public in and for said County and State or Commonwealth, on this day personally appeared James H. Long, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he executed said instrument as his or her free and voluntary act and the free and voluntary act of Borrower.

Given under my hand and Notarial Seal this _____ day of _____, 20____.

Notary Public

REAFFIRMATION OF LIMITED FRAUD GUARANTY

February 18, 2004

Textron Financial Corporation
1180 Welsh Road, Suite 280
North Wales, PA 19454

Ladies and Gentlemen:

I acknowledge that I executed a Limited Fraud Guaranty for obligations of the I-SECTOR CORPORATION, STRATASOFT, INC, INTERNETWORK EXPERTS, INC., ISECOLDSUB, INC., and VALERENT INC. to Textron Financial Corporation ("TEXTRON"), dated January 30, 2004.

In consideration for TEXTRON approving a continuation in the credit facility of \$15,000,000 and intending to be legally bound, I hereby reaffirm my joint and several, direct and indirect Limited Fraud Guaranty to TEXTRON for all obligations of the I-SECTOR CORPORATION, STRATASOFT, INC, INTERNETWORK EXPERTS, INC., ISECOLDSUB, INC., and VALERENT INC. to TEXTRON.

This letter does not reduce or limit in any way my obligations to TEXTRON under our Limited Fraud Guaranty and this letter does not change any other terms or conditions of the said Limited Fraud Guaranty.

This letter shall be governed by the laws of the State of Rhode Island. Any dispute between the parties concerning the terms or provisions of this Reaffirmation of Individual Guaranty shall be brought in the jurisdiction of the courts of the State of Rhode Island in the event of any such dispute.

I waive a trial by jury in any action concerning this Reaffirmation of Limited Fraud Guaranty or the subject matter thereof.

/s/ James H. Long

/s/ Patricia L. Winstead

Attest

Attest

SCHEDULE TO LOAN AND SECURITY AGREEMENT
(FLOORPLAN LOAN)

CO-BORROWERS: Valerent, Inc., Internetwork
Experts, Inc., I-Sector
Corporation, ISECOLDSUB, Inc.,
Stratasoft, Inc.

ADDRESS: 6401 SOUTHWEST FREEWAY
HOUSTON, TX 77074

DATE: February 18, 2004

This Schedule forms an integral part of the Loan and Security Agreement between the above Co-Borrowers and TEXTRON Financial Corporation dated the above date, and all references herein and therein to "this Agreement" shall be deemed to refer to said Agreement and to this Schedule.

DEFINITIONS (SECTION 1):

"Borrowing Base" means an amount equal to (a) 80% of Eligible Receivables (the "Accounts Advance Amount") plus (b) the Inventory Advance Amount, each as determined by Textron from Co-Borrowers' most recent Borrowing Base.

"Inventory Advance Amount" means an amount equal to the least of (a) the sum of (i) 90% of the cost of Co-Borrowers' Eligible Inventory purchased from the Manufacturers with whom Textron has an acceptable repurchase agreement plus (ii) 40% of the cost of Co-Borrowers' Eligible Inventory which is not included in clause (i) preceding, (b) \$4,000,000, or (c) 30% of the Account Advance Amount.

"Eligible Inventory" is Co-Borrowers' inventory, including raw materials, located at its principal place of business that complies with the Representations, but does not include used, returned, obsolete, consigned, work in progress, demonstrative or custom inventory, supplies, packing or shipping materials.

"Eligible Receivables" means Receivables arising in the ordinary course of Co-Borrowers' business from the sale of goods or rendition of services, which TEXTRON, in its Permitted Discretion, shall deem eligible based on such considerations as TEXTRON may from time to time deem appropriate. Without limiting the foregoing, no Receivable shall qualify as an Eligible Receivable if (i) the account debtor has failed to pay the Receivable within a period of ninety (90) days after invoice date, to the extent of any amount remaining unpaid after such period; (ii) the account debtor has failed to pay more than the percentage specified below ("CROSS-AGE PERCENTAGE") of all outstanding Receivables owed by it to Co-Borrowers within ninety (90) days after invoice date; (iii) the account debtor is an Affiliate of Co-Borrowers; (iv) Co-Borrowers is not the lawful and unconditional owner of the Receivable; (v) the goods

relating thereto are placed on consignment, guaranteed sale, "bill and hold," "COD" or other terms pursuant to which payment by the account debtor may be conditional; (vi) the account debtor is not located in the United States or Canada, unless the Receivable is supported by a letter of credit, credit insurance, or other form of guaranty or security, in each case in form and substance satisfactory to TEXTRON; (vii) Co-Borrowers is or may become liable to the account debtor for goods sold or services rendered by the account debtor to Co-Borrowers; (ix) the account debtor's total obligations to Co-Borrowers exceed the percentage specified below ("CONCENTRATION LIMIT") of all Eligible Receivables, to the extent of such excess; (x) the account debtor disputes liability or makes any claim with respect thereto (up to the amount of such liability or claim), or is subject to any insolvency or bankruptcy proceeding, or becomes insolvent, fails or goes out of a material portion of its business; (xi) the amount thereof consists of late charges or finance charges; (xii) the amount thereof consists of a credit balance more than ninety (90) days past due; (xiii) the invoice constitutes a progress billing on a project not yet completed, except that the final billing at such time as the matter has been completed and delivered to the customer may be deemed an Eligible Receivable; (xiv) the amount thereof is not yet represented by an invoice or bill issued in the name of the applicable account debtor; or (xv) Receivables for demonstration or promotional equipment, or in which goods are consigned, sales guaranteed, sale or return, sale on approval, bill and hold, or other terms if account debtor's payment may be conditional.

(ii) Cross-Age Percentage: 25%

(viii) Concentration Limit: 15%

"Debt" means Accounts Payable, All Short and Long Term Notes Payable and Accrued Expenses

"Tangible Capital Funds" means Cash, Trade Accounts, Inventory and Net Fixed Assets and Equipment

less Debt.

TOTAL FACILITY:

THE LESSER OF (A) FIFTEEN MILLION DOLLARS (\$15,000,000.00) SUBJECT TO FIVE MILLION DOLLAR SYNDICATION OF THE LOAN OR (B) THE BORROWING BASE.

INTEREST AND FEES:

INTEREST RATE:

FLOORPLAN CREDIT LINE INTEREST. Interest on any amount past due under the Floorplan Credit Line pursuant shall accrue from the due date or any extended due date at a per annum rate of six percentage points (6.0%) in excess of the Prime Rate.

EXAMINATION FEE. Co-Borrowers shall pay TEXTRON an examination fee equal to the actual fees accrued by the field examiners (the "EXAMINATION FEE"), which shall be deemed fully earned on the date such payment is due.

EARLY TERMINATION FEE

The amount of the termination fee will be based on the date of the early termination as follows:

1.0% of the Total Facility amount if terminated in the first year

0.5% of the Total Facility amount if terminated in the second year

CONDITIONS OF CLOSING:

- Executed syndication loan documents and activation of syndication for \$5 Million.
- Loan and Security Agreement and Certificate of Corporate Borrowing Resolutions on I Sector and all subsidiaries as co-Co-Borrowers;
- First Priority Broad Lien UCC filing on all companies (excluding Stratasoft Patents which Textron will be subordinate to one other secured party);
- Reaffirmation of Fraud Guaranty signed by James Long, CEO of I-Sector;
- Evidence of casualty insurance in an amount equal to the inventory listed on the quarterly financials statements with a Lenders Loss Payable clause favoring Textron Financial Corporation;
- In the event changes to documents are required that entails the use of Textron Legal counsel, I-Sector will be responsible for all fees.
- Lockbox and contingent blocked account in favor of Textron
- Subordination of all Shareholder Debt to Textron

ONGOING CONDITIONS:

These conditions are a continuing part of the approval granted under your new facility.

- Eligible Collateral coverage equivalent to 100% of Textron outstandings. Eligible collateral shall be determined by Textron and shall not be more than the Borrowing Base (defined above).
- Weekly collateral reports of accounts receivable, accounts payable, and inventory reports, along with a Borrowing Base Certificate
- Monthly accounts receivable verifications
- Updated Annual projections and/or interim updates as completed.
- Monthly consolidated financial statements.

- Quarterly 10Q reports within 45 days of quarter end.
- Annual 10K and annual reports (within 90 days of year-end).
- Annual Insurance renewals.
- Quarterly field exams.
- Continuing Programs and Repurchase Agreements with all Vendors financed for I-Sector and affiliated companies.

TERMS

The terms under which such financing will be provided to you are Net 60 days with the rate of Prime Rate plus 2.5% for each day beyond the Vendor approved free interest period. Any invoice not paid within this period listed will be charged at a default interest rate of Prime Rate plus six percentage points from the due date until payment is received.

From time to time, Textron may offer different terms to you after notice. You will receive weekly transaction confirmations and monthly statements from us.

Textron maintains a common due date program. All payments are due in our office on the due dates of the 1st, 10th, and 20th of each month.

Offset against payments to your account are not to be made unless authorized by Textron. Any unauthorized offsets will be charged the default interest rate noted.

OTHER CONSIDERATIONS

Additional documentation or conditions may be requested from time to time. Full compliance with the terms and conditions of the Dealer Loan and Security Agreement must be maintained. Textron reserves the right to discontinue this inventory financing at any time at our sole discretion.

REPRESENTATIONS:

STATE OF INCORPORATION

Valerent, Inc.- Delaware

Internetwork Experts, Inc.- Delaware

Stratasoft, Inc.- Texas

ISECOLDSUB, Inc.- Delaware

I-Sector Corporation- Delaware

STATES QUALIFIED TO DO BUSINESS:

All Companies-Texas

CO-BORROWERS' NAMES:

PRIOR CORPORATE AND FICTITIOUS NAMES:

Technicomp Corporation

Allstar-Valcom

Allstar Systems, Inc.

R. Cano, Inc.

Allstar Solutions, Inc.

Allstar Computer Services, Inc.

Netsurant

Global Outsourcing Solutions, Inc.

TRADEMARKS, COPYRIGHTS, LICENSES AND PATENTS:

(If registered or filed, list recording office, and name, date and filing number)

Stratasoft # 2228125 dated 12-24-1997, by the subsidiary of Stratasoft, Inc.

Stratadial # 2228127 dated 12-24-1997, by subsidiary of Stratasoft, Inc.

Stratavoice # 2228126 dated 12-24-1997 by subsidiary of Stratasoft, Inc.

Stratavoice Code # Tx-4-369-041 dated 8-27-1996 by the subsidiary of Stratasoft, Inc.

Stratadial Code # Tx-4-360-123 dated 8-23-1996 by the subsidiary of Stratasoft, Inc.

Patent License from E-Share, Communications, Inc. covering Patents dealing with Predicative Dialers, etc. by the subsidiary of Stratasoft, Inc.

LOCATIONS:

6401 Southwest Freeway

Houston, TX 77074

15960 Midway, Suite 101

Addison, TX 75001

AFFIRMATIVE COVENANTS:

FINANCIAL COVENANTS

Co-Borrowers shall comply with all of the following covenants. Compliance shall be determined as of the end of each quarter. The Tangible Capital Funds covenant and Total Liabilities to Tangible Capital Funds covenant will be tested beginning with the year end 12/31/03. The Fixed Charge Coverage Ratio covenant will be tested beginning with the quarter end 3/31/04.

- Tangible Capital Funds of not less than \$2.2 Million Dollars
 - (Tangible Capital Funds is defined as Cash, Trade Accounts, Inventory, Net Fixed Assets plus Subordinated Liabilities minus Total Liabilities. Total Liabilities is defined as Accounts Payable, All Short and Long Term Notes Payable and Accrued Expenses)
- Total Liabilities to Tangible Capital Funds of 6.0:1
- I-Sector shall maintain a Fixed Charge Coverage Ratio of no less than 1.1 to 1.0. The Fixed Charge Coverage Ratio is defined as (quarterly net income plus interest expense, taxes, and lease and rental expense) divided by (quarterly interest expense, lease and rental expense, and (quarterly current maturities of long term debt divided by 1-tax rate)).

PRIMARY ACCOUNTS.

Upon agreement by Co-Borrowers of terms and conditions concerning the set up of operating, depository and investment accounts with Silicon Valley Bank and subject to competitive rates of interest on all depository, operating, and investment accounts from Silicon Valley Bank, Co-Borrowers will move these accounts to Silicon Valley Bank. Co-Borrowers shall maintain its depository, operating and investment accounts with Silicon Valley Bank, and maintain not less than 85% of its cash and other liquid assets in such accounts. Co-Borrowers will deliver account control agreements acceptable to Textron from each financial institution at which Co-Borrowers maintains an account, including for accounts maintained at Silicon Valley Bank.

FINANCIAL STATEMENTS, REPORTS, CERTIFICATES.

Co-Borrowers will deliver to Textron: (i) as soon as available, but no later than 30 days after the last day of each month and quarter, a company prepared consolidated balance sheet and income statement covering Co-Borrowers' consolidated operations during the period, in a form acceptable to Textron; (ii) as soon as available, but no later than 90 days after the end of Co-Borrowers' fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to Textron; (iii) a prompt report of any legal actions pending or threatened against Co-Borrowers or any subsidiary that could result in damages or costs to Co-Borrowers or any subsidiary of \$100,000 or more; and (iv) budgets, sales projections, operating plans or other financial information Textron requests.

Co-Borrowers will deliver to Textron, on a weekly basis, aged listings of accounts receivable, accounts payable and inventory.

NEGATIVE COVENANTS:

Stock Transfer: No stock transfer without TEXTRON's consent, which will not be unreasonably withheld.

Mergers. Co-Borrowers will not merge or consolidate with or acquire any other Person (in which case TEXTRON's consent shall not be unreasonably withheld), or make any other material change in its capital structure or in its business or operations which might adversely affect the repayment of the Obligations;

Loans. Co-Borrowers will not make advances, loans or extensions of credit to, or invest in, any Person in excess of \$100,000.00;

Dividends. Co-Borrowers will not declare or pay cash dividends upon any of its stock or distribute any of its property or redeem, retire, purchase or acquire directly or indirectly any of its stock;

Adverse Transactions. Co-Borrowers will not enter into any transaction which materially and adversely affects the Collateral or its ability to repay the Obligations in full as and when due;

Indebtedness of Others. Become directly or contingently liable for the Indebtedness of any Person, except by endorsement of instruments for deposit; and except for the existing guarantees made by Co-Borrowers prior to the date hereof, if any, which are set forth in the Schedule

Repurchase. Make a sale to any customer on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment, or any other repurchase or return basis;

Capital Expenditure. Co-Borrowers will not make or incur any Capital Expenditure in excess of \$800,000 in any Co-Borrowers any fiscal year;

Subordination: CO-BORROWERS WILL subordinate of all present and Future Shareholder Debt to Textron

Indebtedness. Co-Borrowers will not create, incur, assume or permit to exist any Indebtedness (excluding Indebtedness in connection with Capital Leases) in excess of the amount in excess of \$100,000.00 other than (i) the Obligations, (ii) trade payables and other contractual obligations to suppliers and customers incurred in the ordinary course of business, and (iii) other Indebtedness existing on the date of this Agreement and reflected in the Prepared Financials (except Indebtedness paid on the date of this Agreement from proceeds of the initial advances hereunder) and (iv) Subordinated Debt;

Affiliate Transactions. Co-Borrowers will not, except as set forth below, sell, transfer, distribute or pay any money or property to any Affiliate (other than the Co-Borrowers), or invest in (by capital contribution or otherwise) or purchase or repurchase any stock or Indebtedness, or any property, of any Affiliate, or become liable on any guaranty of the indebtedness, dividends or other obligations of any Affiliate. Notwithstanding the foregoing, if no Event of Default has occurred, Co-Borrowers may engage in

transactions with Affiliates in the normal course of business, in amounts and upon terms which are fully disclosed to TEXTRON and which are no less favorable to Co-Borrowers than would be obtainable in a comparable arm's length transaction with a Person who is not an Affiliate;

Nature of Business. Enter into any new type of business or make any material change in any of Co-Borrowers' business objectives, purposes or operations without Textron's written consent which shall not be unreasonably withheld;

=====

EXECUTED UNDER SEAL BY:

I-SECTOR CORPORATION:

TEXTRON FINANCIAL CORPORATION

BY /s/ JAMES H. LONG (SEAL)

BY /s/ PATRICK SMITH

TITLE CHIEF EXECUTIVE OFFICER

TITLE SENIOR VICE PRESIDENT,
CREDIT AND OPERATIONS

STATE OF TEXAS

COUNTY OF HARRIS

THE FOREGOING SCHEDULE TO LOAN AND SECURITY AGREEMENT WAS ACKNOWLEDGED BEFORE ME THIS 12TH DAY OF FEBRUARY, 2004, BY JAMES H. LONG, CEO OF I-SECTOR CORPORATION, A CORPORATION ORGANIZED UNDER THE STATE OF DELAWARE, ON BEHALF OF THE CORPORATION.

TITLE OR RANK: /s/ CHERYL TREDER

SERIAL NUMBER, IF ANY:

=====

EXECUTED UNDER SEAL BY:

VALERENT, INC.:

TEXTRON FINANCIAL CORPORATION

BY /s/ FRANK CANO, JR. (SEAL)

BY /s/ PATRICK SMITH

TITLE PRESIDENT & CEO

TITLE SENIOR VICE PRESIDENT,
CREDIT AND OPERATIONS

STATE OF TEXAS

COUNTY OF HARRIS

THE FOREGOING SCHEDULE TO LOAN AND SECURITY AGREEMENT WAS ACKNOWLEDGED BEFORE ME THIS 9TH DAY OF FEBRUARY, 2004, BY FRANK CANO, PRESIDENT OF VALERENT, INC., A CORPORATION ORGANIZED UNDER THE STATE OF DELAWARE, ON BEHALF OF THE CORPORATION.

TITLE OR RANK: /s/ CHERYL TREDER

=====
SERIAL NUMBER, IF ANY: EXECUTED UNDER SEAL BY:

INTERNETWORK EXPERTS, INC.: TEXTRON FINANCIAL CORPORATION
BY /s/ PAUL KLOTZ (SEAL) BY /s/ PATRICK SMITH
TITLE VICE PRESIDENT TITLE SENIOR VICE PRESIDENT,
CREDIT AND OPERATIONS

STATE OF TEXAS
COUNTY OF DALLAS

THE FOREGOING SCHEDULE TO LOAN AND SECURITY AGREEMENT WAS ACKNOWLEDGED
BEFORE ME THIS 10TH DAY OF FEBRUARY, 2004, BY PAUL KLOTZ, VICE PRESIDENT OF
INTERNETWORK EXPERTS, INC., A CORPORATION ORGANIZED UNDER THE STATE OF DELAWARE,
ON BEHALF OF THE CORPORATION.

TITLE OR RANK: /s/ DIRYA PATEL

=====
SERIAL NUMBER, IF ANY: EXECUTED UNDER SEAL BY:

ISECOLDSUB, INC.: TEXTRON FINANCIAL CORPORATION
BY /s/ JAMES H. LONG (SEAL) BY /s/ PATRICK SMITH
TITLE PRESIDENT TITLE SENIOR VICE PRESIDENT,
CREDIT AND OPERATIONS

STATE OF TEXAS
COUNTY OF HARRIS

THE FOREGOING SCHEDULE TO LOAN AND SECURITY AGREEMENT WAS ACKNOWLEDGED
BEFORE ME THIS 12TH DAY OF FEBRUARY, 2004, BY JAMES H. LONG, PRESIDENT OF
ISECOLDSUB, INC., A CORPORATION ORGANIZED UNDER THE STATE OF DELAWARE, ON BEHALF
OF THE CORPORATION.

TITLE OR RANK: /s/ CHERYL TREDER

=====
SERIAL NUMBER, IF ANY: EXECUTED UNDER SEAL BY:

STRATASOFT, INC.:

TEXTRON FINANCIAL CORPORATION

BY /s/ PATRICIA L. WINSTEAD (SEAL)

BY /s/ PATRICK SMITH

TITLE SECRETARY

TITLE SENIOR VICE PRESIDENT,
CREDIT AND OPERATIONS

STATE OF TEXAS

COUNTY OF HARRIS

THE FOREGOING SCHEDULE TO LOAN AND SECURITY AGREEMENT WAS ACKNOWLEDGED BEFORE ME THIS 9TH DAY OF FEBRUARY, 2004, BY PATRICIA L. WIHSTEAD, SECRETARY OF STRATASOFT, INC., A CORPORATION ORGANIZED UNDER THE STATE OF TEXAS, ON BEHALF OF THE CORPORATION.

TITLE OR RANK: /s/ CHERYL TREDER

SERIAL NUMBER, IF ANY:

LOAN AND SECURITY AGREEMENT

Textron Financial Corporation
 1180 Welsh Road, Suite 280
 North Wales, PA 19454

VALERENT, INC., INTERNETWORK EXPERTS, INC.,
 I-SECTOR CORPORATION, ISECOLDSUB, INC.,
 STRATASOFT, INC.
 Exact Legal Name
 6401 SOUTHWEST FREEWAY
 Street Address
 Houston, TX 77074
 City, State, Zip Code

Gentlemen:

1. We are an authorized Reseller of goods manufactured and/or distributed by various manufacturers and distributors (hereinafter called "Manufacturer"). As such, we from time to time buy goods from Manufacturer to be held by us as our inventory for sale by us in the normal course of our business. We may, as more fully set forth herein, from time to time obtain loans from you in order to finance the purchase of certain of such goods, including parts and accessories therefor, from Manufacturer, and desire by this Agreement to set forth in writing our understanding of our loan arrangements with you and secure repayment of such loans and other related debts and liabilities we may have to you, whether now existing or hereafter arising.

2. Upon our request from time to time, you may, at your sole discretion and without any obligation to do so, make loans to us, under such terms and with such conditions as you shall specify, to enable us to acquire rights in Inventory from Manufacturers pre-approved by you for financing programs. We understand that each such loan will be solely at your discretion, and we expressly disclaim any right to expect otherwise, either from the course of our dealing, our need therefore, your dealings with others, your arrangements with Manufacturer, or otherwise. Conversely, nothing herein will prevent us from obtaining financing from other sources, provided that you are completely satisfied that such other financing will not jeopardize our ability to comply with our financial obligations to you and that adequate procedures will be implemented to absolutely assure your ability to identify your Collateral. Accordingly, we will obtain both your written permission prior to arranging such other financing and such acknowledgements and undertakings from our other lenders as you may require.

We understand that certain terms and conditions applicable to loans obtained by us from you will be set forth in materials to be made available from time to time to us and other Resellers, the terms of which, as revised from time to time, being deemed incorporated herein by reference. We understand that these materials are subject to change by you at any time and from time to time, and expressly assume the responsibility of confirming directly with you, upon our request for each loan, the exact terms and conditions then being stated by you, including without limitation rate of interest and terms of repayment. In no event will we view such materials as a commitment or other offer on your part to lend, and we will have no right to any loan under any particular terms until actually made and under the terms so made. We understand and agree that the full amount of each loan will be paid to you on its due date without deduction for any sums due from Manufacturer or any Credit Memo that may have been issued to you, unless you have previously notified us that you have received and applied the amount of the Credit Memo issued by the Manufacturer.

We understand that you may, from time to time, issue advices to us. Such advices may include, but need not be limited to, periodic or monthly statements of our account, periodic letter advices in the nature of statements of account, issued from time to time, and letter forms or other forms of notices of due dates of finance plan payments and of the specific terms of loans which we have with you. Unless we, within ten (10) days from the date of any such advice, give you written and itemized objection to the contents of such advice, we shall be fully bound thereby and acknowledge that the content of such advice is true, correct, and complete, and accurately reflects our obligations to you as of the date thereof.

In connection with each loan requested, we will deliver to you such other writings as you shall require, which may include notes or other appropriate evidence of debt. Such notes or other evidence of debt, Manufacturer invoices, and other like materials as may be revised from time to time ("Collateral Documents"), together with this Agreement, contain our entire understanding, and we acknowledge that we will not be relying upon any prior oral or written promises or undertakings or future oral promises between us. No modification hereof or of the Collateral Documents will be binding upon you unless in a writing duly executed on your behalf by an officer holding the rank of Vice President or higher.

We hereby authorize you to disburse the proceeds of each loan directly to Manufacturer on our behalf. Further, we shall and hereby authorize

Manufacturer to deliver its invoice for Inventory, together with all Certificates of Origin, directly to you. You may assume that all such invoices so submitted are authentic and accurate and that they have been submitted on our behalf and with our permission. Receipt by you from us or Manufacturer of an invoice for Inventory shall be your authority to make a loan to us under terms and conditions then being stated by you. In addition we shall and hereby authorize the Manufacturer to issue all Credit Memos directly to you.

We acknowledge that the term "Prime Rate", as used in the Collateral Documents in reference to the rate of interest applicable to loans to us, will mean the average of the Prime Rates (the base rate for corporate loans at large U.S. money center commercial banks) quoted in the Wall Street Journal under the caption "Money Rates", and agree that the interest rate applicable to our loans from you will automatically change from time to time effective upon each change in the published Prime Rate. We further agree that interest on our loans from

you will be calculated on the basis of a 360 day year but will be chargeable for the actual days that principal is outstanding in the then current year.

3. We acknowledge that our financial arrangements with you are completely independent of our arrangements with Manufacturer, and that neither you nor Manufacturer are an agent for or acting on behalf of the other. We are not relying, in our understanding with you, on any statements, promises or representations, oral or written, made by Manufacturer, whether or not purportedly on your behalf, relating to the subject matter hereof and of our loans with you. Although we may receive official literature, brochures and other written materials disseminated by you through Manufacturer, we expressly assume the risk that the materials so received are the most current, up to date materials then authorized by you to be disseminated. None of our obligations to you will be affected or impaired, or be subject to any defense, set-off, counterclaim, crossclaim or recoupment, by reason of any claim which we now or hereafter have against Manufacturer or its agents, including without limitation any claim for breach of express or implied warranty of title, or otherwise related to the condition of the Collateral or our dealings with Manufacturer.

4. As used herein, the following terms shall have the following meaning:

a) "Inventory" means all present and future Inventory, as that term is defined in the Rhode Island Uniform Commercial Code ("Code"), together with all parts and accessories, and all replacements, substitutions and additions thereof or thereto.

b) "Accounts" means all present and future Accounts, as that term is defined in the Code.

c) "General Intangibles" means all present and future General Intangibles, as that term is defined in the Code, and shall include, without limitation, all Credit Memos and other sums due from Manufacturer, all books, records, ledgers, journals, check books, computer tapes and disks, print outs and other information and sources of information, and all licenses, permits, franchises, tradenames and other rights and privileges used or useful in the conduct of our business and the sale of Inventory.

d) "Equipment" means all present and future Equipment, as that term is defined in the CODE, together with all parts and accessories, and all replacements, substitutions and additions thereof or thereto.

e) "Investment Property" means all present and future Investment Property, as that term is defined in the CODE.

f) "Proceeds" means present and future Proceeds, as that term is defined in the CODE, and shall include, without limitation, insurance payable by reason of loss or damage to any of the Collateral. All Proceeds received by us will be held in trust for you until our loans are paid, and we will promptly deliver all Proceeds to you.

g) "Collateral" means, individually and collectively, Inventory, Accounts, General Intangibles, Equipment, Investment Property and Proceeds.

5. a) In order to secure repayment to you of each loan made by you to us the proceeds of which enable us to acquire rights in or the use of Inventory, we hereby grant to you a purchase money security interest in such Inventory, the Proceeds thereof and all General Intangibles related thereto, to secure repayment of such loan. It is intended by this subparagraph (a) that only the Inventory so acquired, with Proceeds and related General Intangibles, will secure the loan the proceeds of which enabled us to acquire rights in or the use of such Inventory.

b) In order to secure repayment to you of all debts and liabilities we may now or hereafter have to you under this Agreement or any other agreement, whether such debt or liability be obtained by you by assignment, negotiation or otherwise, and whether direct or indirect, primary or secondary, absolute or contingent, or otherwise, including but not limited to all loans made by you to us to finance the purchase of Inventory, we hereby grant to you a security interest in all of our Inventory, Accounts, General Intangibles, Equipment and Investment Property no matter how obtained by us, whether now existing or hereafter acquired, and the Proceeds of all of the foregoing.

c) All payments made by us will be deemed to be applied by you first to the loan (i) the proceeds of which enabled us to acquire rights in or the use of Inventory which we have previously sold and (ii) with the earliest due date.

6. We hereby represent to you that all information provided by us to you in connection with our application for each loan from you is and will be complete and accurate in every respect. WE WILL IMMEDIATELY NOTIFY YOU IN

WRITING OF ANY CHANGE IN ANY OF THIS INFORMATION.

7. We will from time to time execute and/or deliver or cause to be executed and/or delivered to you such financing statements, amendments to financing statements, continuation statements, documents of title, manufacturers' certificates of origin, warehouse receipts, bills of lading, vehicle titles, waivers, consents and such other manner of things, and take all manner of actions, as you may from time to time request which are in your sole opinion necessary or desirable in order to perfect, protect, maintain, continue, realize and/or enforce your rights and security interests granted herein. This shall include, without limitation, the written waiver by the landlord of each location at which any Collateral is located. A carbon, photographic or other reproduction of this Agreement shall be sufficient as a financing statement and may be filed in any public office as a financing statement.

8. We will maintain the Inventory in excellent, salable condition, consistent with the highest standards in the industry, and will comply with all applicable laws relating to our use thereof. We will provide you or your designated representatives with access, at any time, during normal business hours, whether announced or unannounced, to each location at which any Collateral is located, to inspect and examine the Inventory and other Collateral and business records, including without limitation all financial records. We agree, at our sole cost, to keep all Inventory insured against risks covered by standard forms of fire, theft and extended coverage and such other risks as may be reasonably required by you and under policies issued by an insurance company or companies and in amounts satisfactory to you. You shall be named to the extent your interest may appear under a Lender's Loss Payable Clause in such policy, which shall provide that the insurance cannot be canceled without at least thirty (30) days prior written notice to you and shall insure you notwithstanding any act or neglect on our part. At our expense, we shall furnish you with evidence of the same in form satisfactory to you, and shall provide you with a Certificate thereof naming you as certificate holder. We will promptly remit to you in the form received, with all necessary endorsements, any Proceeds of such insurance. You may make and settle claims and endorse our name on any checks or drafts. You may apply any Proceeds of insurance which may be received by you toward payment of any obligations or liabilities owed to you by us, whether or not then due, in such order of application as you may determine.

Loss, damage or destruction of all or any of the Collateral shall not affect or diminish our liabilities to you and we assume all responsibility and risk for the existence, character, quality, condition, value, and delivery of Inventory.

9. We will pay and/or cause to be paid all taxes, levies and other governmental charges and assessments payable on or with respect to the Collateral and any premises at which the Collateral is located, which if unpaid may result in a lien or imposition thereon. Such taxes, levies, charges and assessments will be paid prior to the date that any penalty for late payment may be assessed with respect thereto, and if requested by you we will, at our expense, provide you with receipts or other evidence of payment in form satisfactory to you.

10. We will not suffer or permit any lien, security interest, charge, claim or encumbrance to be placed on any of the Collateral, other than in your favor, or suffer or permit any interest to exist therein which is adverse to your own. We represent that we are, and agree to remain, the sole and absolute owner of the Collateral, until sold in the ordinary course of our business, and are and will remain qualified under the terms of all applicable laws and under our dealership arrangements with Manufacturer to conduct our business as presently conducted, with all necessary governmental and other licenses, consents and authorizations having been obtained.

11. At your option, without any obligation to do so, you may pay and discharge taxes, liens, levies, security interests or other encumbrances against the Collateral, may pay for insurance on and for the maintenance and preservation of the Collateral and perform on our behalf any other obligation required to be performed by us hereunder but which we have failed to do so. We shall reimburse you on demand for any payment made or any expense incurred by you pursuant to the authority hereof, with interest at the highest rate chargeable on any of our loans with you, and will pay you a late charge of 1.5% per month of the amount due to you, or the highest legally permissible rate if lower.

12. We will furnish you such information regarding our business and financial condition as you may request from time to time, including without limitation such financial statements, in such form and bearing such certifications, as you shall require. We agree that you may audit or cause to be audited our books and records at any and all times, during normal business hours, whether announced or unannounced, and to permit you access to each location at which any of our General Intangibles are located.

13. We will provide you with written notice of the following matters immediately upon the occurrence thereof:

a) A change in any information provided by us to you herein, in any application made by us in connection with any loan, or otherwise, including without limitation, any change in the location of any Collateral or in any other circumstances regarding the Collateral or our business operations;

b) Loss, theft, or substantial damage or destruction of any of the Collateral or related to our business operations generally; or

c) Any other matter which might have a material adverse affect on our financial condition or operations or which, upon the giving of notice or passage of time, or both, would result in an event of default by us hereunder.

14. Any one or more of the following shall be an event of default

by us under this Agreement:

a) Failure by us or any person jointly or otherwise liable to you for our obligations to you, as surety, guarantor or otherwise ("Other Obligor") to pay any amount due you, as and when due, contained or referred to herein or in any other instrument, document, or agreement to which we or such Other Obligor are a party or by which we or such Other Obligor are bound to you, whether now existing or hereafter created; or

b) Failure by us or any Other Obligor to perform or comply with any other obligation, covenant or liability contained or referred to herein or in any other instrument, document, or agreement to which we or such Other Obligor are a party or by which we or such Other Obligor are bound to you,

whether now existing or hereafter created, and such failure, if reasonably susceptible of cure, is not cured within fifteen (15) days of the occurrence thereof; or

c) If any warranty, representation, or statement made or furnished to you by us or on our behalf or on behalf of an Other Obligor, including any representation made on our behalf by Manufacturer, proves to be false, misleading or incomplete in any respect; or

d) Loss, theft or substantial damage or destruction of any of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon; or

e) Dissolution, merger, consolidation, sale or other disposition of a controlling interest in our ownership or of substantially all of our assets, termination of existence, insolvency, business failure, appointment of a receiver, trustee, sequestrator, conservator, or other judicial representative, whether similar or dissimilar, for us or for all or any part of our property, assignment by us for the benefit of creditors or the commencement of any proceeding by or against us under any provision of any federal or state bankruptcy or insolvency laws; or

f) Failure by us to pay any obligation(s) or liability(ies) whatsoever, past, present or future, when due to any other creditor, or the occurrence of any event of default by us under any agreement with any of our respective creditors, including without limitation the occurrence of an event of default under any lease relating to any premises upon which all or any part of our Inventory or other Collateral is located; or

g) If we give notice of a Bulk Sale or intended Bulk Sale, or call a meeting of our respective unsecured creditors or offer a composition or extension to such creditors, or cease to operate our respective business.

15. Upon the occurrence of an event of default, you shall have the right to repossess the Inventory and also any and all rights available under the Code, including, without limitation, the right to declare any and all unpaid balances of principal, interest, costs and expenses arising out of any and all of our obligations or liabilities to you, whether past, present or future, direct or indirect, matured or unmatured, liquidated or unliquidated, immediately due and payable without notice to or demand on us. We irrevocably authorize you or your agent to enter all premises to take possession of and remove the Inventory and other Collateral and release you from any and all liability with respect to such entry or removal. We shall in case of default, if you so request, assemble and deliver the Inventory and other Collateral, at our expense, to a place to be designated by you. We shall pay all of the costs you incur in the enforcement of any of our obligations to you or the collection of any liabilities owed to you by us, including, without limitation, costs, expenses and reasonable attorneys' fees. If any notification of intended disposition of any of the Inventory or other Collateral is required by law, such notification shall be deemed reasonably and properly given if mailed by ordinary mail or overnight delivery service at least ten (10) days before such disposition, postage prepaid, addressed to us, either at our address shown in this Agreement, or at such other address as we may have designated to you in writing.

16. To the extent permitted by applicable law, we authorize you, your designee, the Clerk of the Court, or any attorney of any Court, in the State of Rhode Island or any other state, to appear for us at any time in any and all actions and to confess judgment against us for all sums then owed to you, whether or not then payable, together with an attorney's fee of 15% of all sums then owed and/or for the recovery of any or all of the Inventory in our possession. Wherever this provision is prohibited, unenforceable or unlawful, it is deemed stricken from this Agreement.

17. Any law, custom or usage to the contrary notwithstanding, you shall have the right at all times to enforce the covenants and provisions of this Agreement in strict accordance with the terms hereof, notwithstanding any conduct or custom on your part in refraining from so doing at any time or times. Your failure at any time to invoke your rights under the covenants and provisions of this Agreement strictly in accordance with the same shall not be construed as having created a custom in any way or manner contrary to the specific terms and provisions of this Agreement or as having in any way or manner modified, altered or waived the same. Time is of the essence in our performance hereunder and under all other agreements with you. All of your remedies are cumulative and not alternative, and can be exercised in any order and in any manner, separately or simultaneously, and from time to time until all liabilities and obligations to you are satisfied in full.

18. This Agreement may be assigned by you, but we may not assign this Agreement without your prior written consent. If you assign this Agreement, you shall have no further obligation hereunder. All of your rights hereunder

shall inure to the benefit of your successors and assigns and all our obligations shall bind our successors and assigns. If there be more than one party obligated to you under this Agreement, their obligations hereunder shall be joint and several, and the terms "we" "us" or "our" as used herein shall refer to them jointly and severally.

19. We authorize and empower you or your employees, agents or representatives, on our behalf, and in our name, to complete and supply any omission or blank spaces in this Agreement and in any documents or financing statements executed by us and including amendments and continuations thereof under the Code; to execute and/or have acknowledged any form of security instruments, notes, drafts and documents; and to make any requisite affidavits which may be necessary or required by you, and/or which you may desire to evidence or secure advances made by you pursuant to the terms of this Agreement. All of the foregoing may be executed in such form and substance as you in your sole discretion may deem necessary or proper, and this power of attorney, being coupled with an interest, is irrevocable.

20. Our officers, by execution hereof, warrant and represent to you that we are a duly formed corporation and are qualified to do business in the state(s) in which our place(s) of business is (are) located; and, at a Board of Directors meeting duly convened, our officer(s) were properly authorized to execute and deliver this Agreement and all other documents whether hereunder or otherwise; that the execution and delivery of this Agreement does not contravene the Articles of Incorporation, By-Laws, or any agreement, document or instrument to which we are a party or by the terms of which we are bound.

21. Any provision or part thereof in this Agreement found upon judicial interpretation or construction to be prohibited by law shall be ineffective to the extent of such prohibition, without invalidating the remaining provisions hereof. All words used shall be understood and construed to be of such gender or number as the circumstances may reasonably require.

22. THIS AGREEMENT SHALL BE DEEMED EFFECTIVE WHEN ACCEPTED AND EXECUTED BY YOU IN THE STATE OF RHODE ISLAND, AND THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF RHODE ISLAND.

23. AS AN INDEPENDENT COVENANT, WE IRREVOCABLY CONSENT TO THE JURISDICTION OF THE COURTS OF THE STATE OF RHODE ISLAND IN ANY AND ALL ACTIONS BETWEEN US WHETHER UNDER THIS AGREEMENT OR OTHERWISE AND TO THE SERVICE OF PROCESS THEREIN BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO US AT THE ADDRESS AS SET FORTH HEREIN OR ON YOUR RECORDS, AND IRREVOCABLY WAIVE JURY TRIAL AND THE RIGHT THERETO IN ANY AND ALL ACTIONS BETWEEN US, WHETHER UNDER THIS AGREEMENT OR OTHERWISE.

WE HEREBY ACKNOWLEDGE THAT WE HAVE READ AND UNDERSTAND ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT.

Intending to be legally bound, signed and delivered on February 18th, 2004:

VALERENT, INC.

(Corporate Name)

By: /s/ Frank Cano

President

Attest /s/ Patricia L. Winstead

Secretary

INTERNETWORK EXPERTS, INC.

(Corporate Name)

By: /s/ Mark T. Hilz

President

Attest: /s/ Patricia L. Winstead

Secretary

(CORPORATE SEAL)

I-SECTOR CORPORATION

(Corporate Name)

By: /s/ James H. Long

President

Attest: /s/ Patricia L. Winstead

Secretary

(CORPORATE SEAL)

ISECOLDSUB, INC.

(Corporate Name)

By: /s/ James H. Long

President

Attest: /s/ Patricia L. Winstead

Secretary

STRATASOFT, INC.

(Corporate Name)

By: _____ /s/ William R. Hennessy
President

Attest: _____ /s/ Patricia L. Winstead
Secretary

LOAN AND SECURITY AGREEMENT

VALERENT, INC., INTERNETWORK EXPERTS, INC.,
I-SECTOR CORPORATION, ISECOLDSUB, INC.,
STRATASOFT, INC.

APPROVED AND ACCEPTED

TEXTRON FINANCIAL CORPORATION
(Secured Party)

BY: /s/ Patrick Smith

DATE: February 23, 2004

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our reports dated February 6, 2004, accompanying the consolidated financial statement and schedule in the Annual Report of I-Sector Corporation on Form 10-K for the year ended December 31, 2003. We hereby consent to the incorporation by reference of said reports in the Registration Statements of I-Sector Corporation on Forms S-8 (File No. 333-41001, effective November 25, 1997 and File No. 333-60320, effective May 7, 2001).

/s/Grant Thornton LLP
Houston, Texas
March 11, 2004

INDEPENDENT AUDITORS' CONSENT AND REPORT ON SCHEDULE

We consent to the incorporation by reference in Registration Statement No.'s 333-41001 and 333-60320 of I-Sector Corporation and subsidiaries, formerly Allstar Systems, Inc. ("I-Sector") each on Form S-8 of our report dated March 21, 2003, relating to the consolidated financial statements of I-Sector as of December 31, 2002 and for each of the two years in the period ended December 31, 2002, appearing in this Annual Report on Form 10-K of I-Sector for the year ended December 31, 2003.

Our audits of the financial statements referred to in the aforementioned report also include the financial statement schedule of I-Sector for each of the two years in the period ended December 31, 2002, listed in Item 15(A)(2). This financial statement schedule is the responsibility of I-Sector's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic financials statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP
Houston, Texas
March 9, 2004

CERTIFICATION OF CEO AND CFO PURSUANT TO
RULE 13a-14(a) OF 15d-14(A) OF THE EXCHANGE ACT

I, James H. Long, certify that:

1. I have reviewed this annual report on Form 10-K of I-Sector;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [RESERVED]
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting weakness.

Dated: March 11, 2004

/s/ James H. Long

James H. Long, Chief Executive
Officer, Chief Financial
Officer and Chairman of the Board

CERTIFICATION OF CEO AND CFO
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of I-Sector Corporation (the "Company") on Form 10-K for the year ending December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James H. Long, Chief Executive Officer, Chief Financial Officer and Chairman of the Board, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

I-Sector Corporation.

Dated: March 11, 2004

/s/ James H. Long

James H. Long, Chief Executive
Officer, Chief Financial Officer and
Chairman of the Board

Report of Independent Certified Public Accountants on Schedule II

To the Stockholders of I-Sector Corporation

In connection with our audit of the consolidated financial statements of I-Sector Corporation and subsidiaries referred to in our report dated February 6, 2004, which is included in the Company's 2003 Form 10-K, we have also audited Schedule II for the year ended December 31, 2003. In our opinion, this schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/Grant Thornton LLP
Houston, Texas
February 6, 2004

VALUATION AND QUALIFYING ACCOUNTS

 FINANCIAL STATEMENT SCHEDULE II
 I-SECTOR CORPORATION
 VALUATION AND QUALIFYING ACCOUNTS
 AS OF DECEMBER 31, 2003
 (In Thousands)

 <TABLE>
 <CAPTION>

Description -----	Balance at Beginning of Year -----	Charges to Costs and Expenses -----	Write-offs -----	Other Changes -----	Balance at End of Year -----
<S>	<C>	<C>	<C>	<C>	<C>
Accumulated provision deducted from related assets on balance sheet:					
Allowance for doubtful accounts receivable:					
2001	740	1,052	(539)	--	1,253
2002	1,253	910	(1,235)	--	928
2003	928	448	(764)	--	612
Allowance for doubtful notes receivable:					
2001	--	--	--	--	-
2002	--	361	--	--	361
2003	361	321	(59)	--	623
Inventory reserves:					
2001	395	--	(251)	--	144
2002	144	--	(144)	--	--
2003	--	--	--	--	--

</TABLE>