

not exceed, in any event, the amount paid to Contractor under this Agreement for the performance of services during the twelve (12) months immediately preceding the date on which the claim arose.

22. M/WBE PLAN

Contractor agrees to allocate work to subcontractors and vendors, which are historically underutilized businesses in accordance with the Minority and Women Owned Business Enterprise (M/WBE) forms and guidelines attached hereto as Exhibit G. No changes to the Plan may be made unless approved in writing by the District. Contractor, prior to the execution of this Agreement, shall report its M/WBE participation goal as a percent of the Contract Sum. During the performance of all Work under this Agreement, Contractor and its agents shall comply with all M/WBE policies of the District. The information shall be identified per firm, discipline and participation. While this Agreement is in effect and until the expiration of one year after final completion, the District may require information from the Contractor, and may conduct audits, to assure that the Plan is being, and was, followed. Contractor shall provide District with quarterly reporting of its M/WBE utilization.

Should Contractor propose the deletion of a M/WBE classified/certified contractor or vendor from its employ, the Contractor shall substitute a contractor or vendor of like classification/certification, and if Contractor is unable to substitute a contractor or vendor of like classification, Contractor shall provide District with documentation of its best efforts to acquire the services of a M/WBE replacement firm. Provided that Contractor complies with this section, such modification of a M/WBE vendor shall not require the District's prior written approval.

23. FELONY CONVICTION AND CRIMINAL BACKGROUND CHECK

Contractor must give advance notice to the District if an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony. The District may terminate this Agreement if the District determines that business entity failed to give notice as required by this paragraph or misrepresented the conduct resulting in the conviction. This paragraph requiring advance notice does not apply to a publicly held corporation.

Contractor will obtain criminal history record information that relates to an employee, applicant for employment, or agent of the Contractor if the employee, applicant, or agent has or will have continuing duties related to the contracted services; and the duties are or will be performed on school property or at another location where students are regularly present. Contractor shall certify to the District before beginning work and at no less than an annual basis thereafter that criminal history record information has been obtained. Contractor shall assume all expenses associated with the background checks, and shall immediately remove any employee or agent who was convicted of a felony, or misdemeanor involving moral turpitude, as defined by Texas law, from District property or other location where students are regularly present. District shall be the final decider of what constitutes a "location where students are regularly present." Contractor's violation of this section shall constitute a material breach of the Agreement.

If Contractor is the person or owner or operator of the business entity, that individual may not self-certify regarding the criminal history record information and its review, and must submit original evidence acceptable to the District with this Agreement showing compliance.

24 ENTIRE AGREEMENT.

The following attached instruments are hereby made a part of this Agreement by this reference: 1.) RFP's RT2491-02; RT2492-02; RT2493-03; RT2494-03; and associated addendums 2.) The Consortium Response to the RFP's dated January 20, 2003. These instruments together with this Agreement contain the entire Agreement between the parties and no warranties, expressed or implied, representations, promises, or statements have been made by either party unless endorsed herein in writing. To the extent there is any conflict the following order of precedence shall govern: 1.) This Agreement, 2.) RFP's RT2491-02; RT2492-02; RT2493-03; RT2494-03; 3) Addendums, 4.) The Consortium Response to RFP's RT2491-02; RT2492-02; RT2493-03; RT2494-03; dated January 20, 2003, 4.) Provisions related to the DISD shall prevail over inconsistent general provisions, terms and conditions, and 5.) Exhibits A, B, C, D, E, F, G, H and I. No change or waiver of any provision hereof shall be valid unless made in writing and executed in the same manner as this Agreement.

25 NO WAIVER OF IMMUNITIES

Neither the execution of this Agreement by the District nor any other conduct of any representative of the District relating to the Agreement shall be considered a waiver of governmental immunities available to the District.

26 CAPTIONS

The captions of paragraphs in this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

27 GOVERNING LAW

This Agreement and all of the rights and obligations of the parties hereto and all of the terms and conditions hereof shall be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.

28 WAIVERS

No delay or omission by either of the parties hereto in exercising any right or power accruing upon the non-compliance or failure of performance by the other party hereto of any of the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either of the parties hereto of any of the covenants, conditions or agreements hereof to be performed by the other party hereto shall not be construed to be a waiver of any subsequent breach thereof or of any other covenant, condition or agreement herein contained.

29 SEVERABILITY

In case any provision hereof shall, for any reason, be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provision had not been included herein.

30 FAMILY CODE CHILD SUPPORT CERTIFICATION

By signing this Agreement, the undersigned certifies as follows: "Under Section 231.006, *Texas Family Code*, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate."

31 SALES TAX CERTIFICATION

By signing this Agreement, the undersigned certifies as follows: "Under Section 2155.004, *Texas Government Code*, the Contractor certifies that the individual or business entity named in this bid or Agreement is not ineligible to receive the specified Agreement and acknowledges that this Agreement may be terminated and payment withheld if this certification is inaccurate."

32 USE OF DISTRICT'S MATERIALS

Contractor acknowledges and agrees that the District has an interest in maintaining and otherwise protecting the image and reputation of the DISD official logo or emblem and any other trademarks, copyrighted or otherwise protected materials of the District (hereinafter referred to as the "Owner's Protected Materials"), and that in order to accomplish this purpose, the District must in all cases assure itself that the Owner's Protected Materials are at all times used in a manner consistent with the DISD policies, administrative regulations, and this Agreement.

Contractor agrees that the District must, therefore, have the right to examine and to approve or disapprove in writing in advance of use; the contents, appearance and presentation of any and all advertising, promotional or other similar materials proposed by Contractor to be used in connection with any advertising or promotion utilizing Owner's Protected Materials.

Contractor therefore agrees that it;

- a. Will not produce, publish or in any manner use or distribute any such advertising, promotional or other materials prepared by or on behalf of the Contractor that have not been submitted to and approved in writing in advance by the District;
- b. Will submit to the District for its examination and approval or disapproval, in advance of use, samples of such materials together with the script, text, coloring, storyboards and a copy of any photograph proposed to be used.
- c. The District agrees that it will promptly examine and either approve or disapprove each submission and promptly notify Contractor of its approval or disapproval.

The District, on behalf of its minor schoolchildren, reserves the absolute right in its sole discretion to reject the content of any submission.

Contractor agrees that nothing contained in this Agreement shall give to the Contractor any right, title or interest in the Owner's Protected Materials and that the Owner's Protected Materials are, and are to be, the sole property of the District and that any and all use by the Contractor of the Owner's Protected Materials, and the goodwill arising there from, shall inure to the benefit of the District.

33 AUDIT AND INSPECTION OF RECORDS

Records of Contractor's costs, reimbursable expenses pertaining to the work pursuant to the Agreement and payments shall be available to District or its authorized representative during business hours and shall be retained for three years after final Payment or termination of the Agreement, unless District otherwise instructs the Contractor in writing.

At any time during the term of this Agreement and for a period of four (4) years thereafter the District or a duly authorized audit representative of the District, or the State of Texas, at its expense and at reasonable times, reserves the right to audit the Contractor's records and books relevant to all products and services provided under this Agreement. In the event such an audit by the District reveals any errors/overpayments by the District, the Contractor shall refund the District the full amount of such overpayments within thirty (30) days of such audit findings, or the District, at its option, reserves the right to deduct such amounts owing the District from any payments due the Contractor.

To the extent applicable to this procurement, in accordance with applicable Public Law, the Contractor agrees to allow, during and for a period of not less than four (4) years after the Agreement term, access to this Agreement and its books, documents, and records; and contracts between Contractor and its subcontractors or vendors or related organizations, including books, documents and records relating to same, by the Comptroller General of the United States, other governmental investigative agency, or their duly authorized representative(s), legally authorized to investigate alleged fraud, overcharge, or other diversion of funds from a public school district receiving Federal and State public funds.

34 DISPUTE RESOLUTION

Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to non-binding mediation as a condition precedent to the institution of legal or equitable proceedings by either party. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in Dallas, Texas. Venue for any litigation involving rights or arising under this Agreement shall be Dallas County, Texas.

35 NOTICES TO THE PARTIES

All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and registered as follows:

TO DISD:

Dallas Independent School District
Jack Hill
3700 Ross Avenue, Box 447
Dallas, TX 75204

TO THE CONTRACTOR:

The Consortium
Frankie Wong
10430 Shady Trail, Suite 105
Dallas, Texas 75220

EXHIBIT A

**Letter Agreement between Consortium members
and Micro System Enterprises, Inc.**

LETTER AGREEMENT

This is a Letter Agreement between TECHNOLOGY CABLING SOLUTIONS, INC. (TCS) and MICRO SYSTEM ENTERPRISES, INC. (may hereinafter be collectively referred to as MSE);

WHEREAS, MSE will from time to time purchase goods and/or services from TCS for the Dallas Independent School District (DISD)-Technology Project (may be referred to as "the Project"); and

WHEREAS, TCS may from time to time sell to MSE certain goods and/or provide certain consulting services for the benefit of MSE and others, including DISD as MSE may direct; and

WHEREAS, TCS, subject to the terms herein and/or any other agreement between TCS and MSE, will endeavor to deliver and/or provide said goods and/or services as described in the purchase order to the DISD schools and/or DISD facilities designated on the purchase orders.

NOW, THEREFORE IN CONSIDERATION of the mutual covenants and promises and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

L

COVENANTS, PROMISES AND/OR

REPRESENTATIONS OF MSE

1. With respect to the Project, MSE agrees that it will order goods and the services related thereto and that it will deliver purchase

orders on a periodic basis to TCS during the terms of this agreement.

2. Within five (5) days of receipt of funds by MSE from Schools and Libraries Division, Universal Service Administration Company and/or DISD or any other source for invoices delivered by TCS to MSE for goods and/or services provided to MSE and/or any other persons or party designated by MSE in conjunction with the Project referenced above, MSE will pay TCS for said invoices. All past due invoices will bear interest at the rate of 12% per year. A Past due invoice is defined as an invoice not paid within 30 days after MSE receives funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD. In conjunction with any unpaid invoices from TCS to MSE, MSE shall use best efforts to collect funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD which may be owing to MSE so that MSE may remit to TCS their share of the funds due hereunder.

- 2a. Contemporaneous with the execution of the instant Letter Agreement, MSE and/or any other persons or entities designated by TCS will execute the Purchase Money Security Agreement which is attached hereto as Exhibit ____.

3. It is contemplated and acknowledged by the parties that significant funds will be received by MSE for his work efforts in connection

with the Project and that he shall receive significant payments from DISD and/or SLD for his benefit and/or for the work and/or benefit of various vendors/subcontractors providing goods and/or services on the Project including, but not limited to, TCS.

3a. MSE hereby agrees to take all steps necessary to establish a separate segregated checking account, distinct and apart from any operating or other account of MSE in which he has a legal or equitable interest or signatory authority and he further hereby agrees to deposit or cause to be deposited in such segregated separate account, all funds received by him from DISD, SLD or any other source representing a payment(s) for work performed or goods provided by any subcontractor on the Project including, but not limited to TCS. MSE agrees that TCS shall have a security interest in such separate segregated account and that the same shall be covered by the terms and conditions of the security interest described in paragraph 2a above to be executed by MSE.

4. Further, MSE agrees to cause all vendors providing goods and/or services to or for the benefit of MSE and/or on the Project including, but not limited to TCS, to be paid on a timely basis and further agrees that MSE, as a signatory on the separate segregated bank account, has a fiduciary duty to all of the vendors.

II.

COVENANTS, PROMISES

AND/OR REPRESENTATIONS OF TCS

1. TCS will use commercially reasonable best efforts to timely deliver the goods and/or services requested in any and all purchase orders submitted to it by MSE, subject to the terms and conditions of this Letter Agreement and/or any other agreement between the parties.
- 1a. TCS shall have no obligation to fulfill any purchase order in the event that MSE is in default of this Letter Agreement and/or any other agreement between the parties.

III.

MISCELLANEOUS

The terms and conditions stated herein supersede all prior Agreements between the parties regarding the subject matter of this Agreement. This Agreement can only be modified by written Agreement duly signed by persons authorized to sign Agreements on behalf of MSE and TCS.

This Agreement shall be binding upon TCS when accepted and signed and will be governed by the laws of the State of Texas.

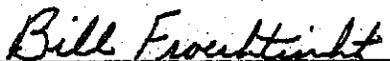
Any dispute concerning this Agreement must be brought in a court of competent jurisdiction in Dallas, Dallas County, Texas, and the parties hereto consent to such jurisdiction and venue.

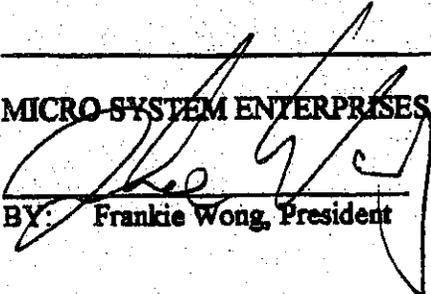
If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provision shall not in any way be impaired thereby.

All parties hereto have had the opportunity to consult with legal counsel of their own choosing prior to executing the instant agreement.

EXECUTED this the 23rd day of January, 2003.

TECHNOLOGY CABLING SOLUTIONS, INC.


BY: Bill Froechtenicht


MICRO-SYSTEM ENTERPRISES
BY: Frankie Wong, President

LETTER AGREEMENT

This is a Letter Agreement between ATS SOUTH and MICRO SYSTEM ENTERPRISES, INC. (may hereinafter be collectively referred to as MSE);

WHEREAS, MSE will from time to time purchase goods and/or services from ATS SOUTH for the Dallas Independent School District (DISD)-Technology Project (may be referred to as "the Project"); and

WHEREAS, ATS SOUTH may from time to time sell to MSE certain goods and/or provide certain consulting services for the benefit of MSE and others, including DISD as MSE may direct; and

WHEREAS, ATS SOUTH, subject to the terms herein and/or any other agreement between ATS SOUTH and MSE, will endeavor to deliver and/or provide said goods and/or services as described in the purchase order to the DISD schools and/or DISD facilities designated on the purchase orders.

NOW, THEREFORE IN CONSIDERATION of the mutual covenants and promises and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

I.

COVENANTS, PROMISES AND/OR

REPRESENTATIONS OF MSE

1. With respect to the Project, MSE agrees that it will order goods and the services related thereto and that it will deliver purchase

orders on a periodic basis to ATS SOUTH during the terms of this agreement.

2. Within five (5) days of receipt of funds by MSE from Schools and Libraries Division, Universal Service Administration Company and/or DISD or any other source for invoices delivered by ATS SOUTH to MSE for goods and/or services provided to MSE and/or any other persons or party designated by MSE in conjunction with the Project referenced above, MSE will pay ATS SOUTH for said invoices. All past due invoices will bear interest at the rate of 12% per year. A Past due invoice is defined as an invoice not paid within 5 days after MSE receives funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD. In conjunction with any unpaid invoices from ATS SOUTH to MSE, MSE shall use best efforts to collect funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD which may be owing to MSE so that MSE may remit to ATS SOUTH their share of the funds due hereunder.
- 2a. Contemporaneous with the execution of the instant Letter Agreement, MSE and/or any other persons or entities designated by ATS SOUTH will execute the Purchase Money Security Agreement which is attached hereto as Exhibit ____.
3. It is contemplated and acknowledged by the parties that significant funds will be received by MSE for his work efforts in connection

with the Project and that he shall receive significant payments from DISD and/or SLD for his benefit and/or for the work and/or benefit of various vendors/subcontractors providing goods and/or services on the Project including, but not limited to, ATS SOUTH.

3a.

MSE hereby agrees to take all steps necessary to establish a separate segregated checking account, distinct and apart from any operating or other account of MSE in which he has a legal or equitable interest or signatory authority and he further hereby agrees to deposit or cause to be deposited in such segregated separate account, all funds received by him from DISD, SLD or any other source representing a payment(s) for work performed or goods provided by any subcontractor on the Project including, but not limited to ATS SOUTH. MSE agrees that ATS SOUTH shall have a security interest in such separate segregated account and that the same shall be covered by the terms and conditions of the security interest described in paragraph 2a above to be executed by MSE.

4.

Further, MSE agrees to cause all vendors providing goods and/or services to or for the benefit of MSE and/or on the Project including, but not limited to ATS SOUTH, to be paid on a timely basis and further agrees that MSE, as a signatory on the separate segregated bank account, has a fiduciary duty to all of the vendors.

II.

COVENANTS, PROMISES

AND/OR REPRESENTATIONS OF ATS SOUTH

1. ATS SOUTH will use commercially reasonable best efforts to timely deliver the goods and/or services requested in any and all purchase orders submitted to it by MSE, subject to the terms and conditions of this Letter Agreement and/or any other agreement between the parties.
- 1a. ATS SOUTH shall have no obligation to fulfill any purchase order in the event that MSE is in default of this Letter Agreement and/or any other agreement between the parties.

III.

MISCELLANEOUS

The terms and conditions stated herein supersede all prior Agreements between the parties regarding the subject matter of this Agreement. This Agreement can only be modified by written Agreement duly signed by persons authorized to sign Agreements on behalf of MSE and ATS SOUTH.

This Agreement shall be binding upon ATS SOUTH when accepted and signed and will be governed by the laws of the State of Texas.

Any dispute concerning this Agreement must be brought in a court of competent jurisdiction in Dallas, Dallas County, Texas, and the parties hereto consent to such jurisdiction and venue.

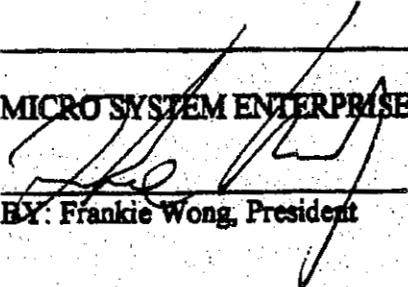
If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provision shall not in any way be impaired thereby.

All parties hereto have had the opportunity to consult with legal counsel of their own choosing prior to executing the instant agreement.

EXECUTED this the 23rd day of January, 2003.

ADVANCED TECHNOLOGY SOLUTIONS.


BY: Wesley Ratcliff, CEO


MICRO SYSTEM ENTERPRISES
BY: Frankie Wong, President

LETTER AGREEMENT

This is a Letter Agreement between WOODLANDS NETWORK SOLUTIONS, INC. (WNS) MICRO SYSTEM ENTERPRISES, INC. (may hereinafter be collectively referred to as MSE);

WHEREAS, MSE will from time to time purchase goods and/or services from WNS for the Dallas Independent School District (DISD)-Technology Project (may be referred to as "the Project"); and

WHEREAS, WNS may from time to time sell to MSE certain goods and/or provide certain consulting services for the benefit of MSE and others, including DISD as MSE may direct; and

WHEREAS, WNS, subject to the terms herein and/or any other agreement between WNS and MSE, will endeavor to deliver and/or provide said goods and/or services as described in the purchase order to the DISD schools and/or DISD facilities designated on the purchase orders.

NOW, THEREFORE IN CONSIDERATION of the mutual covenants and promises and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

I.

COVENANTS, PROMISES AND/OR

REPRESENTATIONS OF MSE

1. With respect to the Project, MSE agrees that it will order goods and the services related thereto and that it will deliver purchase

orders on a periodic basis to WNS during the terms of this agreement.

2. Within five (5) days of receipt of funds by MSE from Schools and Libraries Division, Universal Service Administration Company and/or DISD or any other source for invoices delivered by WNS to MSE for goods and/or services provided to MSE and/or any other persons or party designated by MSE in conjunction with the Project referenced above, MSE will pay WNS for said invoices. All past due invoices will bear interest at the rate of 12% per year. A Past due invoice is defined as an invoice not paid within 30 days after MSE receives funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD. In conjunction with any unpaid invoices from WNS to MSE, MSE shall use best efforts to collect funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD which may be owing to MSE so that MSE may remit to WNS their share of the funds due hereunder.
- 2a. Contemporaneous with the execution of the instant Letter Agreement, MSE and/or any other persons or entities designated by WNS will execute the Purchase Money Security Agreement.
3. It is contemplated and acknowledged by the parties that significant funds will be received by MSE for his work efforts in connection with the Project and that he shall receive significant payments from

DISD and/or SLD for his benefit and/or for the work and/or benefit of various vendors/subcontractors providing goods and/or services on the Project including, but not limited to, WNS.

3a.

MSE hereby agrees to take all steps necessary to establish a separate segregated checking account, distinct and apart from any operating or other account of MSE in which he has a legal or equitable interest or signatory authority and he further hereby agrees to deposit or cause to be deposited in such segregated separate account, all funds received by him from DISD, SLD or any other source representing a payment(s) for work performed or goods provided by any subcontractor on the Project including, but not limited to WNS. MSE agrees that WNS shall have a security interest in such separate segregated account and that the same shall be covered by the terms and conditions of the security interest described in paragraph 2a above to be executed by MSE.

4.

Further, MSE agrees to cause all vendors providing goods and/or services to or for the benefit of MSE and/or on the Project including, but not limited to WNS, to be paid on a timely basis and further agrees that MSE, as a signatory on the separate segregated bank account, has a fiduciary duty to all of the vendors.

COVENANTS, PROMISES

AND/OR REPRESENTATIONS OF WNS

1. WNS will use commercially reasonable best efforts to timely deliver the goods and/or services requested in any and all purchase orders submitted to it by MSE, subject to the terms and conditions of this Letter Agreement and/or any other agreement between the parties.
- 1a. WNS shall have no obligation to fulfill any purchase order in the event that MSE is in default of this Letter Agreement and/or any other agreement between the parties.

III.

MISCELLANEOUS

The terms and conditions stated herein supersede all prior Agreements between the parties regarding the subject matter of this Agreement. This Agreement can only be modified by written Agreement duly signed by persons authorized to sign Agreements on behalf of MSE and WNS.

This Agreement shall be binding upon WNS when accepted and signed and will be governed by the laws of the State of Texas.

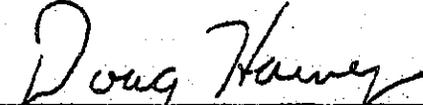
Any dispute concerning this Agreement must be brought in a court of competent jurisdiction in Dallas, Dallas County, Texas, and the parties hereto consent to such jurisdiction and venue.

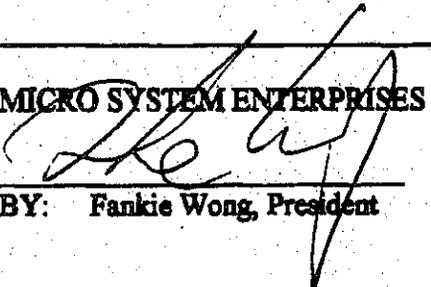
If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provision shall not in any way be impaired thereby.

All parties hereto have had the opportunity to consult with legal counsel of their own choosing prior to executing the instant agreement.

EXECUTED this the 23rd day of January, 2003.

WOODLANDS NETWORK SOLUTIONS, INC.


BY: Doug Harvey, Vice President


MICRO SYSTEM ENTERPRISES

BY: Frankie Wong, President

LETTER AGREEMENT

This is a Letter Agreement between ANALYTICAL COMPUTER SERVICES (ACS) and MICRO SYSTEM ENTERPRISES, INC. (may hereinafter be collectively referred to as MSE);

WHEREAS, MSE will from time to time purchase goods and/or services from ACS for the Dallas Independent School District (DISD)-Technology Project (may be referred to as "the Project"); and

WHEREAS, ACS may from time to time sell to MSE certain goods and/or provide certain consulting services for the benefit of MSE and others, including DISD as MSE may direct; and

WHEREAS, ACS, subject to the terms herein and/or any other agreement between ACS and MSE, will endeavor to deliver and/or provide said goods and/or services as described in the purchase order to the DISD schools and/or DISD facilities designated on the purchase orders.

NOW, THEREFORE IN CONSIDERATION of the mutual covenants and promises and other valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

L

COVENANTS, PROMISES AND/OR

REPRESENTATIONS OF MSE

1. With respect to the Project, MSE agrees that it will order goods and the services related thereto and that it will deliver purchase

COVENANTS, PROMISES

AND/OR REPRESENTATIONS OF ACS

1. ACS will use commercially reasonable best efforts to timely deliver the goods and/or services requested in any and all purchase orders submitted to it by MSE, subject to the terms and conditions of this Letter Agreement and/or any other agreement between the parties.
- 1a. ACS shall have no obligation to fulfill any purchase order in the event that MSE is in default of this Letter Agreement and/or any other agreement between the parties.

III.

MISCELLANEOUS

The terms and conditions stated herein supersede all prior Agreements between the parties regarding the subject matter of this Agreement. This Agreement can only be modified by written Agreement duly signed by persons authorized to sign Agreements on behalf of MSE and ACS.

This Agreement shall be binding upon ACS when accepted and signed and will be governed by the laws of the State of Texas.

Any dispute concerning this Agreement must be brought in a court of competent jurisdiction in Dallas, Dallas County, Texas, and the parties hereto consent to such jurisdiction and venue.

orders on a periodic basis to ACS during the terms of this agreement.

2. Within five (5) days of receipt of funds by MSE from Schools and Libraries Division, Universal Service Administration Company and/or DISD or any other source for invoices delivered by ACS to MSE for goods and/or services provided to MSE and/or any other persons or party designated by MSE in conjunction with the Project referenced above, MSE will pay ACS for said invoices. All past due invoices will bear interest at the rate of 12% per year. A Past due invoice is defined as an invoice not paid within 30 days after MSE receives funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD. In conjunction with any unpaid invoices from ACS to MSE, MSE shall use best efforts to collect funds from Schools and Libraries Division, Universal Service Administration Company and/or DISD which may be owing to MSE so that MSE may remit to ACS their share of the funds due hereunder.

- 2a. Contemporaneous with the execution of the instant Letter Agreement, MSE and/or any other persons or entities designated by ACS will execute the Purchase Money Security Agreement.

3. It is contemplated and acknowledged by the parties that significant funds will be received by MSE for his work efforts in connection with the Project and that he shall receive significant payments from

DISD and/or SLD for his benefit and/or for the work and/or benefit of various vendors/subcontractors providing goods and/or services on the Project including, but not limited to, ACS.

3a. MSE hereby agrees to take all steps necessary to establish a separate segregated checking account, distinct and apart from any operating or other account of MSE in which he has a legal or equitable interest or signatory authority and he further hereby agrees to deposit or cause to be deposited in such segregated separate account, all funds received by him from DISD, SLD or any other source representing a payment(s) for work performed or goods provided by any subcontractor on the Project including, but not limited to ACS. MSE agrees that ACS shall have a security interest in such separate segregated account and that the same shall be covered by the terms and conditions of the security interest described in paragraph 2a above to be executed by MSE.

4. Further, MSE agrees to cause all vendors providing goods and/or services to or for the benefit of MSE and/or on the Project including, but not limited to ACS, to be paid on a timely basis and further agrees that MSE, as a signatory on the separate segregated bank account, has a fiduciary duty to all of the vendors.