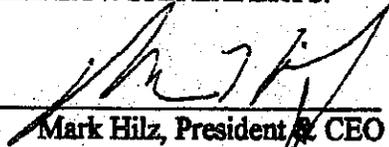


If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provision shall not in any way be impaired thereby.

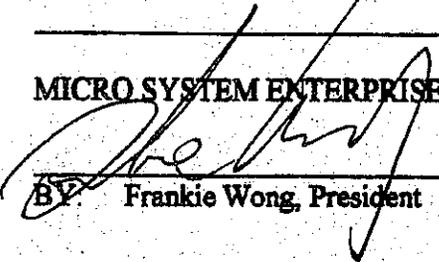
All parties hereto have had the opportunity to consult with legal counsel of their own choosing prior to executing the instant agreement.

EXECUTED this the 23rd day of January, 2003.

INTERNETWORK EXPERTS.


BY: Mark Hilz, President & CEO

MICRO SYSTEM ENTERPRISES


BY: Frankie Wong, President

LETTER AGREEMENT

This is a Letter Agreement between LAZO TECHNOLOGIES, LTD (LAZO) 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 LAZO for the Dallas Independent School District (DISD)-Technology Project (may be referred to as "the Project"); and

WHEREAS, LAZO 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, LAZO, subject to the terms herein and/or any other agreement between LAZO 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 LAZO 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 LAZO 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 LAZO 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 LAZO 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 LAZO 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 LAZO 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, LAZO.

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 LAZO. MSE agrees that LAZO 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 LAZO, 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 LAZO

1. LAZO 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. LAZO 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 LAZO.

This Agreement shall be binding upon LAZO 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.

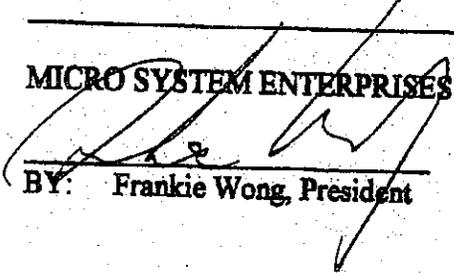
EXECUTED this the 23rd day of January, 2003.

LAZO TECHNOLOGIES, LTD



BY: Tom Lazo Sr., President & CEO

MICRO SYSTEM ENTERPRISES



BY: Frankie Wong, President

EXHIBIT B
Scope of Work

Introduction

The Consortium certified MWBE companies will assist the DISD in implementing the Erate Year 6 program with an option for Erate years 7 and 8 as authorized by the District. This Scope of Work outlines the work effort and approach Contractor will use in this effort.

A. Statements of Work

Upon signing of this Agreement, Consortium agrees to perform the Statements of Work as detailed in the following Exhibits:

- | | |
|----------------|--|
| Exhibit B -- 1 | Consortium Statement of Work for Cabling; 90% Schools and 80% Schools |
| Exhibit B -- 2 | Consortium Statement of Work for Server Upgrades; 90% Schools and 80% Schools |
| Exhibit B -- 3 | Consortium Statement of Work for Network Electronics; 90% Schools and 80% Schools |
| Exhibit B -- 4 | Consortium Statement of Work for Video Teleconferencing; 90% Schools and 80% Schools |
| Exhibit B -- 5 | Consortium Statement of Work for Email |

Work will commence upon notification of authorization of funding by the Schools and Libraries Division of the Federal Communications Commission.

B. Reporting and Communication

Consortium will work with the Project Management Office to develop a reporting process that will update the District on activity status.

Consortium will provide at a minimum:

1. Project implementation schedule
2. Monthly reports to the Project Management Office

C. Quarterly Business Review Process

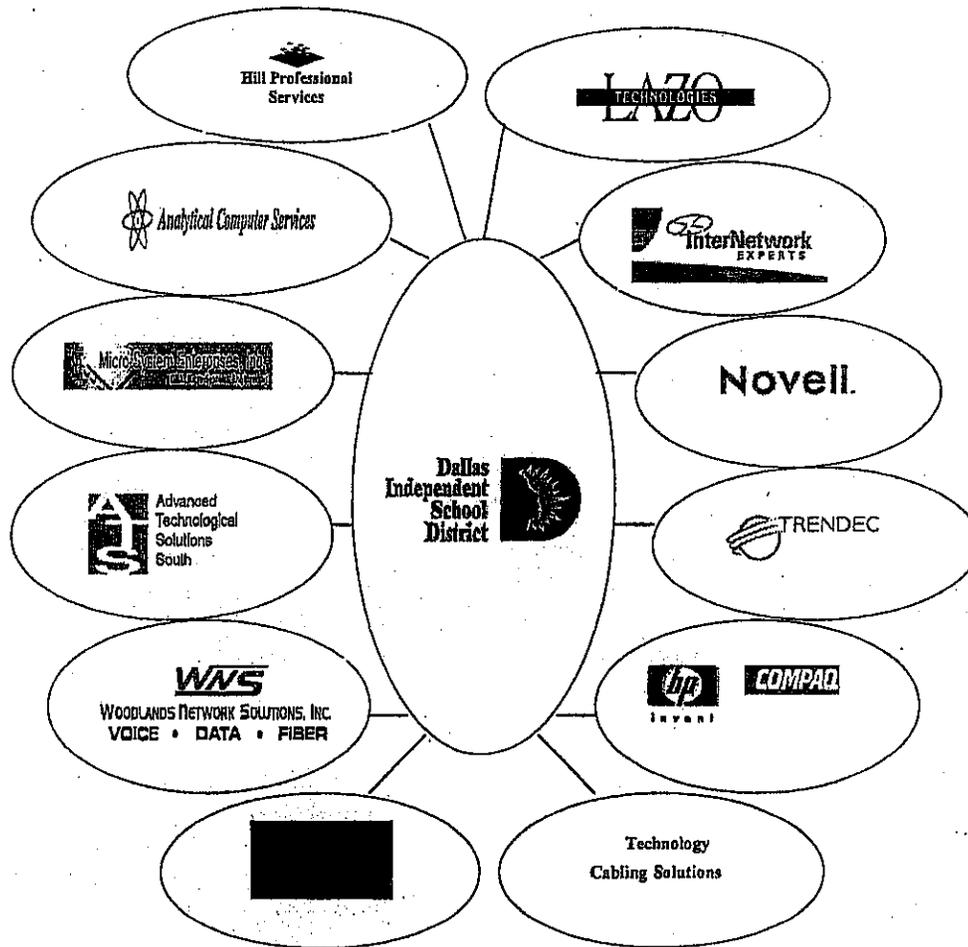
Consortium will conduct, at the District's convenience, Quarterly Business Reviews. Topics discussed will include performance measurements, District spending, progress of the work completed to date, areas of additional opportunity for the District, and remedies for any outstanding issues.

EXHIBIT B - 1

**Consortium Statement of Work for Cabling
90% Schools and 80% Schools**

DALLAS INDEPENDENT SCHOOL DISTRICT

Consortium Statement of Work for Cabling



Consortium:

Analytical Computer Services	Hill Professional Services	Novell
Advanced Technological Solutions	InterNetwork Experts	Technology Cabling Solutions
Communications Supply Corporation	Lazo Technologies	AVIZION
Hewlett Packard/Compaq	Micro System Enterprises	Woodlands Network Solutions

February 4, 2003

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Consortium Description

The listed alliance of vendors, both minority and non-minority firms, is built on the premise that expertise exists within the Dallas\Fort Worth Metroplex to provide the solutions the Dallas Independent School District seeks. We believe our individual and collective expertise more than qualifies us to be selected as the DISD partner. As evidenced in the following and documented throughout this response, we believe we provide the best solution to meet DISD's needs.

Members of the consortium are:

Analytical Computer Services
1901 Royal Lane, Suite 102
Dallas, TX 75229
972-247-4227
Frank Trifilio, President/Owner

Advanced Technology Solutions
1513 Corinth Street
Dallas, TX 75215
214-428-0222
Ruben Ratcliff, Director

Avizion
16300 Addison Road #250
Addison, TX 75001
972-267-7950
Barbara A. Martin, President

Communications Supply
Corporation
14841 Trinity Boulevard
Fort Worth, TX 771655
817-318-8855
Andy Dean, Director

Hewlett Packard/Compaq
5310 Harvest Hill Road
#200
Dallas, TX 75230
972-702-4143
Garrett Goeters
Hill Professional Services
3612 Sail Maker Lane
Plano, TX 75023
972-672-8878
Eddie Hill, Principal

InterNetwork Experts
5960 Midway Road
Addison, TX 75001
713-795-2911
Mark Hiltz, President

Lazo Technologies
611 W. Mockingbird LN.
Dallas, TX 75247
214-652-9898
Al Vasquez, Vice President

Micro System Enterprises
10430 Shady Trails #105
Dallas, TX 75220
972-239-2174
Blair Thomas,
Dir./Operations
Novell
6565 N. McArthur Blvd #500
Irving, TX 75039
972-501-6727
Colby Ward, District Director

Technology Cabling
Solutions
4528 Crown Ridge
Plano, TX 75024
281-983-9955
William Froeichtenicht,
President
Woodlands Network
Solutions
1901 Royal Lane, Suite 102
Dallas, TX 75229
972-247-4227
Frank Trifilio,
President/Owner

The Consortium will use the following two suppliers for additional services:

Lakehills ISC
10420 Jenny's Jump Drive
Austin, TX 78733
512-263-1825
Kevin Killebrew, President

LBI Group Companies
5613 Blue Bird Avenue
Dallas, TX 75237
214-467-9300
A. Gus Warren, Owner

STATEMENT OF WORK

Introduction

This section describes the Services that The Consortium will provide under the terms of The Consortium Customer Agreement (*Agreement*) and this Statement of Work (SOW). Specifically, The Consortium will provide Dallas Independent School District (DISD) with a set of customized e-ratable services, with supporting documentation. The details of the Services to be provided are described in this section. These Services will be provided at existing and newly built DISD locations in Dallas, Texas.

The Consortium will provide the cabling installation, and functional testing to DISD to support moves, adds and changes for the existing cable plant.

This Statement of Work is comprised of the following sections:

1. Assumptions
2. The Consortium Responsibilities
3. DISD Responsibilities
4. Deliverable Materials - Documentation
5. Project Schedule
6. Completion Criteria
7. Charges
8. Project Warranty

The following are incorporated in and made part of this Statement of Work:

- Appendix A, Deliverable Materials - Documentation
- Appendix B, Project Change Control Procedure
- Appendix C, Cabling Installation and Testing Specifications
- Appendix D, Signature Page

Changes to this Statement of Work will be processed in accordance with the procedure described in Appendix B, "Project Change Control Procedure." The investigation and the implementation of changes may result in modifications to the Schedule, Charges or other terms of this Statement of Work.

This proposal will expire February 28, 2004 unless this date is extended by The Consortium and in writing.

1.0 ASSUMPTIONS

This SOW is based on the following assumptions:

1.1 General Scope Description

1. Only those components specified in this SOW are to be supplied and installed by The Consortium. Additional components can be specified via the Project Change Control Procedure detailed in Appendix B.
2. Media runs from the underground distribution box to a portable classroom or cottage are an average distance of seventy-five (75) feet.
3. Media runs from the existing MDF to the IDF are four hundred fifty (450) feet average distance inside the building that houses the MDF and two hundred (200) feet average distance outside the building that houses the MDF
4. Work to be performed at specific sites will be mutually agreed to and scheduled with The Consortium and DISD at least ten (10) business days prior to the commencement of the work.
5. It is the intention of the Consortium to perform all services and provide all goods contemplated by this SOW. The Consortium may use subcontractors in the performance of this SOW as needed to ensure timely completion of the project.
6. The Consortium must have unlimited, unrestricted access to all buildings. Any security requirements inclusive of guards, security codes/access codes, lighting and internal access and/or central monitoring are the responsibility of DISD.
7. The Consortium will be provided with access badges, keys and combinations or escorts to perform the work described in this SOW. Any delay encountered due to unavailability of buildings may result in additional charges being incurred by DISD. If this situation arises, it will be addressed via the Project Change Control Procedure detailed in Appendix B.
8. Adequate wall space/wiring closet space will be made available to The Consortium for the purpose of placing MDF/IDF products and equipment installed under this agreement. It is understood by The Consortium and DISD that any delay encountered due to insufficient wall space/insufficient wiring closet space may result in time delays and additional charges incurred by DISD. If this situation arises, it will be addressed via the Project Change Control Procedure detailed in Appendix B.
9. It is understood by DISD and The Consortium that this SOW is based upon the Start Date provided below. In the event this date is not achieved, The Consortium reserves the right to extend the projected project End Date on a working day for working day basis, and as mutually agreed upon by The Consortium and DISD via the Project Change Control Procedure detailed in Appendix B.
10. It is understood by DISD and The Consortium that this SOW and the pricing associated with this SOW are based upon the award of the total proposed SOW described in this document. The work described in this SOW will be performed during one continuous phase.

1.2 Exclusions from this Statement of Work

1. The Consortium is not responsible under this SOW for the identification or correction of any existing safety and/or code violations, whether federal, state or local, including but not limited to fire and electrical codes. If The Consortium should discover any safety and/or code violations during the course of this project, The Consortium will notify DISD of the problem. The Consortium will not be required to proceed with its work under this SOW until DISD remedies such violation, nor will The Consortium be responsible for delays to the work caused by such violation.
2. The Consortium will not be responsible for the detection or removal of asbestos, hazardous waste or other pollutants.
3. It is specifically understood by DISD and The Consortium that all matters relating to detection and/or abatement or removal of asbestos, hazardous waste or other pollutants are beyond the scope of this contract and that The Consortium shall not be liable for any delay or additional cost incurred as a result of such detections and/or abatement. If asbestos, hazardous waste or other pollutants are uncovered during the course of the work on the contract, then DISD shall be responsible for retaining the experts necessary to remove such asbestos, hazardous waste or pollutants from the site. DISD shall also be responsible for any testing and corresponding with appropriate government authorities.
4. Relocation and testing of existing computers, telecommunications, or CCTV equipment(s) or systems are not required as part of this SOW.
5. Removal of existing telecommunications or CCTV cabling is not required as part of this project.
6. Installation of any hardware, software and network electronics not specified in this SOW (e.g., workstations, servers, printers, routers, DSUs/CSUs, repeaters, modulators) are the responsibility of DISD.
7. It is understood by DISD and The Consortium that all matters relating to physical construction of new wiring closets/equipment locations and retrofits for existing wiring closets/equipment locations, (general construction buildout, HVAC, electrical, lighting, construction permits) is the responsibility of DISD.

2.0 CONSORTIUM RESPONSIBILITIES

2.1 Project Management

Task Description: The objective of this task is to provide technical direction, maintain project control and to establish a framework for reporting, procedural, and contractual activity for the Consortium tasks described. This task consists of the following activities and documentation:

- Establish procedures and coordinate Consortium efforts with the DISD Contact Person
- Develop and maintain work plans for the performance of Consortium responsibilities.
- Administer the Project Change Control Procedures.
- Review the project progress with the DISD Contact Person and team members during Monthly status meetings.
- Prepare and submit written Bi-Weekly Status Reports of Consortium activities DISD.

Completion Criteria: This task will be considered complete when the project is complete and the final Status Report has been delivered to the DISD Project Coordinator.

Deliverables / Documentation: Bi-Weekly Status Reports

2.2 Install and Test Cabling

Task Description: The Consortium will install and test cabling in support of the adds, moves and changes to the cabling plant for DISD per the specifications contained in Appendix C and D. The sub-tasks are:

- Replace up to twelve hundred (1200) existing racks with lockable, environmental control cabinets. Create an estimated 400 new IDF's.
- Install six (6) strand fiber for up to two thousand two hundred (2200) MDF's\IDF's, connecting 5,500 classrooms.
- Provide up to five thousand (5000) moves, adds and changes to the existing cable plant. It is understood that moves of cable drops will be to a point closer to the communication closet. The cable drops moved will be tested to verify that they meet specification requirements.
- Install fiber link from MDF to up to two thousand two hundred (2200) portable classroom buildings. The link will be one (1) six strand (6) fiber to each portable classroom building from a central, permanent, water-proof distribution point adjacent to the buildings.
- Provide up to forty four thousand five hundred (44,500) Cat 5e drops and associated equipment.
- Build MDFs and IDF's facilities as defined in Appendix C.
- Provide testing for the cabling installed under this SOW as defined in Appendix C.
- Provide "As Built" drawing documentation for the cabling installation.
- Compile Cabling Test Documentation.

Completion Criteria: This task will be considered complete for a DISD location when The Consortium delivers one (1) set of "As Built" drawings and one (1) copy of the Project Cabling Test Results for the location to the DISD Project Coordinator.

Deliverables / Documentation:

- "As Built" drawings

- Project Cabling Test Results

2.3 Survey, Test and Document District Cabling Plant

Task Description: The Consortium will test existing cabling plant at the various campuses of DISD to determine the reliability and performance of each plant. Each plant will be documented and wiring segments that fail or are nominally passing will be reported to DISD. The DISD Project Coordinator will then determine a remedial course of action to repair failing or sub performing segments. The sub-tasks are:

- Develop a Testing schedule with the DISD Project Coordinator.
- Provide testing for the cabling previously installed at DISD campuses.
- Compile a Project Cabling Test Book/Documentation.
- Report on a Per-Campus Basis results of failed or nominally performing wiring segments.

Completion Criteria: This task will be considered complete for a campus when The Consortium delivers one (1) copy of the Project Cabling Test Results for existing cable at the campus to the DISD Project Coordinator.

Deliverables / Documentation:

- Project Cabling Test Results for existing cable plant

2.4 Site survey all campuses

Task Description: The Consortium will survey all campuses of DISD to determine final installation requirements. Each site will be documented. The sub-tasks are:

- Develop Site survey schedule with The Consortium and DISD Project Coordinator.
- Compile a Project Cabling Documentation Book.

Completion Criteria: This task will be considered complete for a DISD location when The Consortium delivers one (1) copy of the Site Survey Results for the location to the DISD Project Coordinator.

Deliverables / Documentation: Site Survey Results

2.5 Uninterruptible Power Supply (UPSs)

Task Description: The Consortium will supply and install rack mounted UPSs. The UPSs may be one of the following depending on power requirements. (151) APC Smart UPS SU3000Net and up to (453) SU3000RMTX136.

Completion Criteria: This task will be considered complete for a DISD location when The Consortium has installed mutually agreed UPSs at the location.

Deliverables/Documentation : None. The Bi-Weekly Status Report will describe the progress of this activity as work is performed.

3.0 DISD RESPONSIBILITIES

The responsibilities listed in this section are in addition to those responsibilities specified in the Consortium Customer Agreement and are to be provided at no charge to The Consortium. The Consortium's performance is predicated upon the following responsibilities being fulfilled by DISD.

3.1 Project Management

Provide a Project Coordinator for the duration of the project to whom The Consortium and DISD communications can be addressed and who has the authority to act on behalf of DISD on all aspects of the project.

- Manage and perform the DISD Responsibilities contained in Section 3.0.
- Manage the Project Change Control Procedure for DISD.
- Respond within three (3) business days to any request by The Consortium unless mutually agreeable by DISD and The Consortium.
- Help resolve project issues with the DISD organization.
- Provide The Consortium full access to all School locations as required under this SOW.
- Communicate with appropriate DISD personnel at your location of the work to take place and obtain their approval if necessary.
- Provide floor diagrams of affected campus locations in 8 1/2 x 11 hardcopy format.
- Provide all the necessary closet and/or equipment areas for location of network electronics, racks and cabinets as described within this SOW.
- Provide all necessary power and environmental support to accommodate all The Consortium and DISD provided equipment.
- Inform The Consortium of any change in network requirements in accordance with the The Consortium Project Change Control Procedure, Appendix B.
- Arrange for disposal all racks removed from the MDF/IDF.
- Provide personnel to witness and authorize standard testing of each school building as the installation/testing activities are completed (if required by DISD).
- Locate and mark all water, gas, electrical or any other underground pipes or cabling in the path required for the trenching for the fiber connection, before trenching can be started.
- Permit posting of any notifications required by applicable law for Services provided at your locations.

3.2 Space, Facilities and Utilities

- Provide installation facilities for all equipment. DISD is responsible for space allocation, HVAC and electrical considerations. DISD is responsible for providing power, light and water necessary in performance of this project.
- The Consortium and our subcontractors will have access to all buildings to perform the The Consortium Responsibilities specified in this Statement of Work. Any security requirements inclusive of guard, security codes/access codes, lighting and internal access and/or central monitoring are the responsibility of DISD.
- Adequate space will be made available for the installation of all products related to this project.

3.3 Security and Laws

DISD will identify and make the interpretation of any applicable federal, state, and local laws, regulations and statutes to see that the services provided by The Consortium comply.

3.4 Data Privacy

DISD agrees to allow The Consortium to store and use your contact information, including names, phone numbers, and e-mail addresses. Such information will be processed and used in connection with our business relationship, and may be provided to sub-contractors as needed to accomplish the task within this SOW.

3.5 Required Consents

Before The Consortium begins performance under this Statement of Work, DISD shall be responsible for promptly obtaining and providing for The Consortium all "Required Consents" necessary to The Consortium to access, use, and/or modify software, hardware, firmware, and other products used by DISD for which The Consortium shall provide services described herein. A Required Consent means any consents or approvals required to give The Consortium and its subcontractors the right or license to access, use, and/or modify (including creating derivative works) DISD's or a third party's software, hardware, firmware, or other products used by DISD without infringing the ownership or license rights (including patent and copyright) of the providers or owners of such products.

DISD agrees to indemnify, defend, and hold The Consortium and its affiliates harmless from and against any and all claims, losses, liabilities, and damages (including reasonable attorneys fees and costs) arising from or in connection with any claim (including patent and copyright infringement) made against The Consortium alleged to have occurred as a result of DISD's failure to provide any Required Consents.

The Consortium shall be relieved of the performance of any obligations that may be affected by DISD's failure to promptly provide any Required Consents to The Consortium

4.0 DELIVERABLE MATERIALS/ DOCUMENTATION

The following items will be delivered to DISD under this Statement of Work. See Appendix A, "Deliverable / Documentation Guidelines" for a description of each deliverable/documentation. The deliverables are Type II materials as described in the The Consortium Customer Agreement.

- Bi Weekly Status Reports
- "As-built" drawings
- Project Cabling Test Results
- Project Cabling Test Results for existing cable plant

5.0 PROJECT SCHEDULE

5.1 Project Dates

- Start Date – July 1, 2003.
- End Date – June 30, 2004.

5.2 Project Delays

The Consortium will not be responsible for delays or additional requirements imposed by any government agencies or unforeseen conditions such as delays in the progress of the project by your acts or neglect or the acts or neglect of your employees or separate contractors employed by you, by changes ordered in the project not caused by the fault of The Consortium, by labor disputes, fire, unusual delays in transportation, adverse weather conditions not reasonably anticipatable, unavoidable casualties or other causes beyond The Consortium's control or by another cause which you and The Consortium agree is justifiable, the contract time shall be reasonably extended and the charges adjusted, if necessary, by Change Authorization.

6.0 COMPLETION CRITERIA

The Consortium shall have fulfilled its obligations under this Statement of Work when any one of the following occurs:

- The Consortium accomplishes the tasks described in section 2.0, "The Consortium Responsibilities,"
- Either of us terminates the Project in accordance with the provisions of the The Consortium Customer Agreement.
- The End Date for the contract is reached.

7.0 CHARGES

The Services Charge stated here represents the maximum allowable charges for all services that may be provided under this Statement of Work. The Consortium understands that the decision to implement this project is contingent upon award to the District of funding under the E-rate program. The Consortium will not begin work on this project without written notification from DISD that funding has been approved and that work should begin. If such notification has not been received by February 28, 2004, at The Consortium's option, The Consortium may terminate this Statement of Work or implement an extension of this Statement of Work, as well as changes in pricing or other terms and conditions as may be required, via the Project Change Control Procedure outlined in Appendix A.

Or this amount may be extended upon mutual agreement between DISD and The Consortium as defined in the section titled Project Change Control Procedure. Should DISD not receive the requested funding for E-Rate 6 or should DISD receive only partial funding, The Consortium will work with DISD to incorporate those portions of this Statement of Work that can be accomplished based upon available funding. The Consortium reserves a purchase money security interest in the Equipment until The Consortium receives payment of the amounts due. You authorize The Consortium to prepare and file a financing statement to perfect its purchase money security interest in all Machines you order and The Consortium delivers under this Statement of Work.

It is understood by DISD and The Consortium that this SOW and its associated pricing is based upon The Consortium receiving written approval from DISD to proceed with E-rate 6 no later than February 28, 2004. In the event this approval is not received by this date, The Consortium reserves the right to restructure the SOW to incorporate on those tasks that can be successfully completed by The Consortium prior to June 30, 2004, or any extensions granted by the funding authority.. This proposal will remain valid through February 28, 2004.

Total Cabling Solution \$33,619,750.00 including travel and living expenses

For purposes of applying for FCC Snowe-Rockefeller E-rate funding, the following breakout is provided.

- A) E-rate Eligible Portion..... \$33,619,750.00
- B) B) Non-Eligible Portion.....\$ 0.00

E-rate Invoicing: Prior to commencing work, The Consortium requires:

- 1) a fully signed contract signature sheet;
- 2) a P.O. in the amount that the E-rate program is not funding (e.g. non-discounted portion of the eligible costs plus the non-eligible costs), and;
- 3) a copy of the USAC's Funding Commitment Decision letter.

As a service to the school, The Consortium will perform dual billing per E-rate terms and conditions. First, The Consortium will invoice the school monthly, as work is completed, for the 'non-discounted' portion of the ELIGIBLE items. Secondly, under separate invoice, The Consortium will invoice the E-rate FCC Snowe-Rockefeller administration for the remaining discounted portion of the ELIGIBLE items and any non-eligible items. Payment is due as specified in the invoice. Please note that although The Consortium will bill the school for the 'non-discounted' portion and other charges not eligible under the E-rate program, the school assumes responsibility for the entire contract services charge. Notwithstanding any other provision, the District has the right to terminate this agreement for business reasons if written

termination notice is given to The Consortium prior to any work being perform or service provided.

Excluded from the Services Charge are items involving, but not limited to; repairs to the Location for correcting existing code deficiencies, painting, asbestos removal, plumbing, heating and ventilation, air conditioning work, etc.

The Consortium Service Provider Identification Number (SPIN): 143017760.

This offer will be withdrawn if The Consortium is not authorized to perform these Services by February 28, 2004.

8.0 PROJECT WARRANTY

The Consortium warrants to DISD that materials and equipment furnished under this Agreement will be new and that Work will be of good quality, free from improper workmanship and defective materials in conformance to applicable drawings and specifications. The Consortium agrees to correct Network Cabling work performed under this Statement of Work that proves to be defective in material (material) and/or workmanship for a period of one (1) year. The Consortium does not guarantee or warrant, express or implied, the materials used in workmanship of supplies, materials, equipment or machinery manufactured by third parties and furnished and installed under this Agreement. The Consortium shall endeavor to obtain from all vendors and suppliers and assign to DISD the customary warranties and guaranties of such vendors and suppliers with respect thereto. The Consortium shall render reasonable assistance to DISD when requested in order to enable DISD to enforce such warranties and guaranties by third party-manufacturers and suppliers.

There are no other warranties, express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.

APPENDIX A DELIVERABLE / DOCUMENTATION GUIDELINES

A.1 Bi-Weekly Status Reports

Purpose: The Consortium will provide Status Reports Bi-Weekly during the project to describe the activities, which took place during that period. Significant accomplishments, milestones and problems will be described.

Delivery: One (1) hard copy will be delivered to the DISD Project Coordinator within five (5) working days following the reporting period.

Content: The report will consist of the following, as appropriate:

- Activities performed during the reporting period
- Activities planned for the next reporting period
- Project change control summary
- Problems, concerns, and recommendations
- Billing summary

A.2 Documentation: "As Built" Drawings

Purpose: The Consortium will provide 8 1/2" x 11" "As-built" drawings, marked-up plan views showing drop and MDF/IDF equipment locations.

Delivery: One (1) hard copy will be delivered to the DISD Project Coordinator within five (5) working days following the reporting period.

Content: The report will show drop and MDF/IDF equipment locations.

A.3 Documentation: Project Cabling Test Results

Purpose: The Consortium will deliver one (1) copy of the Project Cabling Test Results. This will be a copy of the Cable Test Forms for Category 5 data cabling and fiber optic cabling.

Delivery: One (1) hard copy will be delivered to the DISD Project Coordinator within thirty (30) days of project completion.

Content: The report will show cable tests results for all cable installed on this project.

A.4 Project Cabling Tests Results for existing cable plant

Purpose: The Consortium will deliver one (1) copy of the Project Cabling Test Results. This will be a copy of the Cable Test forms for existing Category 5 data cabling and fiber optic cabling.

Delivery: One (1) hard copy will be delivered to the DISD Project Coordinator within thirty (30) days of project completion.

Content: The report will show cable test results for existing cable plant.