

FILED/EFFECTIVE

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SECRETARY OF STATE
STATE OF IDAHO

ARTICLES OF MERGER

**SAC, INC.,
an Idaho corporation
WITH AND INTO
SCIENTECH, INC.,
an Idaho corporation**

*In accordance with Section 30-1-1105
of the Idaho Business Corporation Act*

Scientechnik, Inc., an Idaho corporation, and SAC, Inc., an Idaho corporation, hereby execute the following Articles of Merger:

1. The constituent corporations in the Merger (the "Merger") are Scientech, Inc., an Idaho corporation ("Surviving Corporation"), and SAC, Inc., an Idaho corporation (the "Disappearing Corporation").
2. A plan of merger has been adopted by the Constituent Corporations (the "Plan of Merger").
 - a. An Agreement and Plan of Merger dated as of April 16, 2000 (the "Agreement") has been approved, adopted, certified, executed and acknowledged by the Class A common stock shareholders of the Surviving Corporation and the sole stockholder of the Disappearing Corporation, as required by Section 30-1-1103 of the Idaho Business Corporation Act (the "IBCA").
3. The vote of the shareholders of the Surviving Corporation was as follows:
 - a. There were 1,333,753 shares of Class A common stock, par value \$.01 per share, of the Surviving Corporation entitled to be cast on the plan of merger;
 - b. There were 1,152,480 votes cast for the approval of the plan of merger and approval of the merger, which was sufficient for approval under the provisions of the IBCA.
 - c. There were 94,757 votes cast against the approval of the plan of merger.
4. The vote of the shareholder of the Disappearing Corporation was as follows:
 - a. There were 100 shares of common stock, par value \$0.01 per share, of the Disappearing Corporation entitled to be cast on the plan of merger.

The vote of the shareholder of the Disappearing Corporation was as follows:

There were 100 shares of common stock, par value \$0.01 per share, of the Disappearing Corporation entitled to be cast on the plan of merger.

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- b. There were 100 votes cast for approval of the plan of merger and approval of the merger, which was sufficient for approval under the IBCA.
- c. There were zero votes cast against approval of the plan of merger.

5. The name of the Surviving Corporation is Scientech, Inc.
6. The plan of merger set forth in the Agreement and Plan of Merger is as follows:

BEGINNING OF PLAN OF MERGER

PLAN OF MERGER made and entered into on this 16th day of April 2000, among SCIENTECH, INC., an Idaho corporation (the "Company"), SAC, Inc., an Idaho corporation ("SAC"), Scientech LLC, a Delaware limited liability company ("ST-LLC"), and Thoma Cressey Fund VI, L.P., a Delaware limited partnership ("TCEP"). ST-LLC, SAC and TCEP shall collectively be referred to as "the Purchasers."

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions. Capitalized terms used in this Agreement shall have the meaning set out below:

"8% Cumulative Redeemable Participating Preferred Stock" is defined in the Articles of Amendment of the Company.

"Affiliate" shall have the meaning given in Rule 12b-2 of the regulations promulgated under the Securities and Exchange Act of 1934.

"Agreement" means this Plan of Merger.

"Articles of Amendment" means the Articles of Amendment of the Company, to be filed with the Idaho Secretary of State prior to the Effective Time, pursuant to which the board of directors of the Company shall designate the terms of a series of preferred stock to be known as 8% Cumulative Redeemable Participating Preferred Stock.

"Articles of Incorporation" means the Amended and Restated Articles of Incorporation of the Company filed with the Idaho Secretary of State on September 19, 1997, as amended by the two Articles of Amendment adopted on November 12, 1998 and filed with the Idaho Secretary of State on December 1, 1999.

"Business Day" means any day except a Saturday or Sunday when the commercial banks in the City of New York are open for the transaction of business.

“Bylaws” means the bylaws of the Surviving Corporation as amended and restated pursuant to Section 2.5(d).

“Cash Price” means the cash amount to be paid per share of Company Common Stock (excluding the Treasury Stock, ST-LLC-owned Stock and Rollover Shares), calculated as the quotient of a fraction determined as follows:

the numerator of such fraction shall be \$74,000,000 (as adjusted pursuant to Section 2.6(f)), (i) less the sum of the Interest Bearing Debt, the Meson Deferred Payment, and the Meson Earnout, (ii) less the net amount of Company Transaction Costs, (iii) plus the Meson Cash; and

the denominator of such fraction shall be the total number of shares of Company Common Stock outstanding as of the close of business on the day before the Closing Date (exclusive of Treasury Stock) plus the number of shares of Company Common Stock issued to the Meson Stockholders pursuant to the terms of the Meson Merger Agreement, prior to the Effective Time.

“Common Stock” means the Class A Common Stock of the Surviving Corporation.

“Company Common Stock” means the Class A common stock and Class B common stock of the Company prior to the Effective Time.

“Company Transaction Costs” means the actual fees and expenses incurred by the Company through the period ending on the Closing Date in connection with this Agreement and the transactions contemplated by this Agreement, for its investment bankers, accountants and attorneys to the extent not included in the calculation of Net Working Capital pursuant to Section 2.7, minus Management Costs.

“Debt Financing” means senior and senior subordinated debt financing related to the Merger.

“Environmental Laws” shall mean any applicable Law concerning releases into any part of the natural environment, or protection of natural resources, the environment and public and employee health and safety including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601, *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. 1801, *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. 6901, *et seq.*), the Clean Water Act (33 U.S.C. 1251, *et seq.*), the Clean Air Act (33 U.S.C. 7401, *et seq.*), the Toxic Substances Control Act (15 U.S.C. 7401, *et seq.*), the Federal Insecticide, Fungicide, and Rodenticide Act (17 U.S.C. 136, *et seq.*), the Atomic Energy Act (42 U.S.C. 2011, *et seq.*), and the Occupational Safety and Health Act, (29 U.S.C. 651, *et seq.*).

“Escrow Portion” means the amount to be paid per share of Company Common Stock into escrow as the Escrow Amount, constituting a portion of the Cash Price, and calculated by dividing \$3 million by the sum of (i) the total number of shares of Company Common Stock held by all of the Escrow Parties as of the close of business on the day before the Closing Date, and (ii) the number of shares of Company Common Stock issued to Meson Stockholders pursuant to the terms of the Meson Merger Agreement prior to the Effective Time.

“Financial Statements” means audited financial statements of the Company for the fiscal year ended January 29, 1999 and January 30, 1998, and unaudited financial statements of the Company for the fiscal year ended January 28, 2000.

“Frontier Mining” means Frontier Mining Ltd., a Delaware corporation.

“GAAP” shall mean United States generally accepted accounting principles as in effect on the date of this Agreement.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

“Immediate Cash Portion” means an amount to be paid per share of Company Common Stock, equal to the Cash Price less the Escrow Portion.

“Independent Accountants” shall mean Arthur Andersen.

“Interest Bearing Debt” means the amount of the interest bearing debt of the Company and its Subsidiaries for borrowed money determined on a consolidated basis, as of immediately prior to the Effective Time of the Merger, including (i) debt for borrowed money incurred by the Company or its Subsidiaries to finance payments to be made by the Company pursuant to the Meson Merger Agreement at closing of the Meson Transaction and (ii) the Meson Interest Bearing Debt, but excluding any debt for borrowed money contemplated by this Agreement to be incurred by the Company or its Subsidiaries on the Closing Date.

“Liens” shall mean any lien, claim, charge, pledge, mortgage, security interest or other encumbrance.

“Management Costs” means the actual out-of-pocket external costs incurred by the Company relating to the negotiation of the Senior Management Agreements, not to exceed \$50,000.

“Material Adverse Effect” means material adverse effect on the business; prospects; financial condition; assets; relationships with employees, customers, or suppliers; or results of the operations of the Company and its Subsidiaries taken as a whole.

“Meson” means Meson Network Services, Inc., a New York corporation.

“Meson Cash” means the amount of the funded and immediately available cash and cash equivalents held by Meson as of immediately prior to the Effective Time of the Merger.

“Meson Deferred Payment” means \$600,000, which represents the aggregate principal amount of the deferred payments of purchase price payable to the Meson Stockholders by the Company pursuant to the promissory note to be executed by the Company under the Meson Merger Agreement at closing of the Meson Transaction.

“Meson Earnout” means \$700,000, which represents the maximum aggregate amount of the contingent payments payable to the Meson Stockholders by the Company on the one-year and two year anniversaries of the closing of the Meson Transaction, based on certain profitability objectives.

“Meson Interest Bearing Debt” means the amount of the interest bearing debt of Meson and its subsidiaries determined on a consolidated basis for borrowed money as of immediately prior to the Effective Time of the Merger, but excluding the Meson Real Estate Debt.

“Meson Merger Agreement” means the Agreement and Plan of Merger dated as of January 28, 2000, as amended, by and among Meson Network Services, Inc., the Meson Stockholders (as defined therein), Meson Services Corp. and the Company.

“Meson Real Estate Debt” means the amount of interest bearing debt of Meson and its subsidiaries for borrowed money incurred in connection with Meson’s purchase of real property and construction of a facility in the Sidney Industrial Park in Sidney, New York.

“Meson Transaction” means the transactions contemplated by the Meson Merger Agreement.

“Parties” means Company, ST-LLC, SAC, and TCEP and **“Party”** means any one of them.

“Person” means any individual, firm, corporation, partnership, limited liability company or partnership, trust, incorporated or unincorporated association, joint venture, government (or any agency or subdivision) or other entity of any kind.

“Professional Services Agreement” means the Professional Services Agreement between Thoma Cressey Equity Partners, Inc., and Scientech, Inc..

“Related Agreements” means the Articles of Amendment, Bylaws, Share Purchase Agreement, the Escrow Agreement and Indemnity, the Senior Management Agreements, the Professional Services Agreement, the Equity Purchase Agreement, the Stockholders Agreement, the Investor Rights Agreement, the Voting Agreement and all other agreements related to the consummation of the Merger and Transactions.

“Senior Management Agreements” means the Senior Management Agreements entered into by certain individuals and the Surviving Corporation on the Closing Date in a form to be approved by the Board of Directors of the Company, subject to the Terms applicable to each such individual.

“Subsidiaries” means any corporation, limited liability company, partnership or other legal entity of which the Company, either directly or indirectly or through or together with any other Subsidiary, owns more than 50% of the common stock or other equity securities having the power to elect a majority of the directors or applicable equivalents.

“Taxes” shall mean all taxes, charges, fees, levies or other assessments, including, without limitation, all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs, duties, fees, assessments and charges of any kind whatsoever, together with any interest and any penalties, fines, additions to tax or additional amounts imposed by any public or governmental taxing authority (domestic or foreign) and shall include any transferee liability in respect of Taxes.

“Tax Return” shall mean all returns, declarations, reports, estimates, information returns and statements required to be filed in respect of any Taxes.

“Transactions” means the execution and delivery of the Related Agreements.

1.2 Terms denoting the singular only shall include the plural, and vice versa.

1.3 Unless otherwise stated, a reference to a Recital, Article or Section is a reference to a Recital, Article or Section of this Agreement.

1.4 Section numbers and headings are for convenience of reference only, and shall not affect the interpretation of this Agreement.

1.5 Reference to any gender includes the other.

1.6 Reference to “including” means including, but not by way of limitation.

1.7 Unless otherwise expressly provided in this Agreement, reference to an Agreement (including this Agreement), document, or instrument is the same as amended, modified, novated or replaced from time to time.

1.8 Reference to a statute or other legislative act, bylaw, rule, regulation, or order is to the same as amended, modified or replaced from time to time and to any rule, regulation or order promulgated pursuant to such law.

1.9 When the phrases “to the knowledge of the Company,” “to the Company’s knowledge,” “to the knowledge of the Company or any of its Subsidiaries,” or to the Company’s or any of its Subsidiaries’ knowledge” are used in this Agreement, they shall be deemed to mean only the actual knowledge of the following officers of the Company which at the time of this Agreement are (i) Nicholas Kaufman, (ii) Bruce Robinson, (iii) Scott R. Robuck, (iv) E. Paul Loch, (v) Harold M. Burton (vi) Mike Hutsell, (vii) Bruce Varnado, (viii) Larry Dietrick, (ix) Phil Campbell, (x) Tom Allen, (xi) Brent Stacey, and (xii) Roger Mattson.

1.10 When the phrases “to the knowledge of the Purchasers,” “to the Purchaser’s knowledge,” “to the knowledge of the Purchasers or any of its Subsidiaries,” or to the Purchaser’s or any of its Subsidiaries’ knowledge” are used in this Agreement, they shall be deemed to mean only the actual knowledge of Robert L. Manning Jr. and D. Christian Osborn.

ARTICLE 2

THE MERGER

2.1 Prior to the Merger. Prior to the Effective Time of the Merger as defined in Section 2.4, the Company shall take all necessary corporate actions to authorize the issuance of the 8% Cumulative Redeemable Participating Preferred Stock, as is permitted by the Company’s Articles of Incorporation, including the execution and filing of the Articles of Amendment with the Secretary of State of the State of Idaho.

2.2 The Merger. Upon the terms and conditions set forth in this Agreement, and in accordance with the Idaho Business Corporations Act, Idaho Code §§ 30-1-101 *et seq.* (the “Idaho Law”), SAC shall be merged with and into the Company at the Effective Time as set forth in Section 2.4 (the “Merger”). At the Effective Time, the separate corporate existence of SAC shall cease, and the Company shall continue as the surviving corporation (the “Surviving Corporation”), and shall continue under the name “SCIENTECH, Inc.”

2.3 Closing Date. Subject to the terms and conditions of this Agreement, the closing of the Merger and other transactions contemplated by this Agreement (the “Closing”) shall take place at the offices of Miles & Stockbridge P.C., at 10:00 a.m., Eastern time, on April 28, 2000, or as soon as practicable thereafter following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the Merger and Transactions (other than conditions with respect to actions the respective Parties will take at the Closing itself), provided, however, that such Closing must occur on or before May 26, 2000. The date of the Closing is referred to in this Agreement as the “Closing Date.”

2.4 Effective Time of Merger. The Parties shall cause the Merger to be consummated by filing duly executed articles of merger (the “Articles of Merger”) with the Secretary of State of the State of Idaho, as provided by Idaho Law as defined in Section 2.2, on the Closing Date, and the Parties shall take such other and further actions as may be required by law to make the Merger effective. The Merger shall become effective as of the time of the filing of the Articles of Merger (the “Effective Time”).

2.5 Effects of the Merger. The Merger shall have the effects as set forth in the applicable provisions of Idaho Law. Subject to Idaho Law, the Merger shall have the following additional effects:

(a) All the properties, rights, privileges, powers and franchises of the Company and SAC shall vest in the Surviving Corporation.

(b) The directors of the Company and the officers of the Company immediately prior to the Effective Time shall, from and after the Effective Time, be the initial directors and officers of the Surviving Corporation. Immediately after the Effective Time, the Surviving Corporation, the initial directors and officers, and the shareholders of the Surviving Corporation shall take all necessary actions to elect a new board of directors, consisting of the three board members to be designated by TCEP, Robert L. Manning, Jr., D. Christian Osborn and Carl D. Thoma, and two existing officers of the Company, as designated pursuant to the Stockholders Agreement. Such new directors shall serve until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Articles of Incorporation and Bylaws and Idaho Law.

(c) The Articles of Incorporation of the Company, as amended by the Articles of Amendment shall be the Articles of Incorporation of the Surviving Corporation, until duly amended in accordance with its terms and Idaho Law.

(d) The bylaws of the Company shall be amended and restated in their entirety in a form approved by the Board of Directors of the Company, and from and after the Effective Time such Bylaws shall be the Bylaws of the Surviving Corporation, until duly amended as provided by Idaho Law.

2.6 Determining Cash Price.

(a) Cash Price Calculation

The Cash Price shall be calculated as the quotient of a fraction determined as follows:

Cash Price = $\frac{(\$74,000,000 - \text{NWC Adjustment}) - (\text{Interest Bearing Debt} + \text{Meson Deferred Payment} + \text{Meson Earnout}) - \text{Company Transaction Costs} + \text{Meson Cash}}{\text{Company Common Stock Outstanding}}$

Company Common Stock Outstanding

Where:

“NWC Adjustment” is defined in Section 2.6(f).

“Interest Bearing Debt” is defined in Article 1.

“Meson Deferred Payment” is defined in Article 1

“Meson Earnout” is defined in Article 1.

“Company Transaction Costs” is defined in Article 1.

“Meson Cash” is defined in Article 1

“Company Common Stock Outstanding” means the total number of shares of Company Common Stock outstanding as of the close of business on the day immediately before the Closing Date (exclusive of Treasury Stock), plus the number of shares of Company Common Stock issued to the Meson Stockholders pursuant to the terms of the Meson Merger Agreement, prior to the Effective Time.

(b) Escrow Portion

The Escrow Portion shall be calculated as the quotient of a fraction determined as follows:

$$\frac{\$3,000,000}{\text{Company Common Stock Outstanding}}$$

(c) Estimated Cash Price

Two business days prior to Closing, the Company shall prepare its best good faith calculation of an estimated Cash Price (the “Estimated Cash Price”). The Estimated Cash Price shall be calculated using the formula set out in Section 2.6(a). Where a value to be deducted from or added to the Cash Price is known, that value shall be used in the calculation of Estimated Cash Price. Where a value is not known, the calculation of the Estimated Cash Price shall use the Company’s best good faith estimate of that value. Company shall provide to Purchasers no later than two business days before Closing a written notice of the Estimated Cash Price, including the basis for its calculation, and an explanation and supporting documentation for any estimated values used in that calculation. Purchasers shall have no obligation to consummate the Merger and the Transactions unless they are reasonably satisfied that the Estimated Cash Price has been calculated by the Company in a reasonable manner and in good faith in accordance with this Section 2.6(c).

(d) Preliminary Cash Price

The “Preliminary Cash Price” shall be an amount equal to 0.9 multiplied by the Estimated Cash Price.

(e) Final Cash Price

(i) As promptly as practicable following the Closing Date, but in no event later than 25 days after the Closing Date, the Surviving Corporation shall deliver to the Shareholders Committee its determination of the Cash Price, and its calculation of Net Working Capital (the "Cash Price Calculation"), calculated pursuant to the terms of this Agreement and prepared in accordance with GAAP (to the extent applicable) and the historical accounting principles, methods, practices and procedures of the Company consistent with those used in the preparation of the unaudited financial statements for the fiscal year ended January 28, 2000.

(ii) The Surviving Corporation shall provide the Shareholders' Committee (and its accountants and other representatives) with full and complete access to the work papers, schedules or other supporting documentation prepared by or on behalf of the Surviving Corporation in connection with the Cash Price Calculation and the determination of Net Working Capital as defined in Section 2.6(f) immediately following the time that the Surviving Corporation delivers the Cash Price Calculation and the determination of Net Working Capital to the Shareholders' Committee. The Shareholders' Committee shall initially consist of Cordell Reed, Dr. Lawrence Ybarrando and Bruce Robinson, effective as of the Closing Date. All actions by the Shareholders' Committee shall require that approval of a majority of the members of the Shareholders' Committee; provided, however, that any member of the Shareholders' Committee shall have the power to execute and deliver contracts, instruments and other documents on behalf of the Shareholders' Committee. In the event of the death, resignation or incapacity of any member of the Shareholders' Committee, the remaining members shall appoint a successor member (with written notice thereof to the Purchasers).

(iii) In the event that the Shareholders' Committee disputes the correctness of the Cash Price Calculation or the determination of Net Working Capital, the Shareholders' Committee shall notify the Surviving Corporation in writing of its objections within 15 days after its receipt of the Cash Price Calculation and the determination of Net Working Capital, and shall describe, in reasonable detail, the reasons for its objections and its proposed calculation of the Net Working Capital with supporting documentation. Unless the Shareholders' Committee delivers a notice of objection to the Surviving Corporation within the 15 day period, the Shareholders' Committee shall be irrevocably deemed to have accepted the Cash Price Calculation and the determination of Net Working Capital provided to the Shareholders' Committee by the Surviving Corporation. If the Shareholders' Committee delivers a notice of objection to the Surviving Corporation within the 15 day period, the Shareholders' Committee and the Surviving Corporation shall thereafter endeavor in good faith to resolve any disputed items within 15 days after the date of the Surviving Corporation's receipt of the Shareholders' Committee's notice of objection. In the event that the Surviving Corporation and the Shareholders' Committee are unable to resolve any items in dispute relating to the Cash Price Calculation and the determination of Net Working Capital within such 15 day period, the matters shall be promptly referred to the Independent

Accountants and the Independent Accountants shall be instructed to prepare and deliver to the Surviving Corporation and the Shareholders' Committee, within ten days after the referral of the issue to the Independent Accountants, a statement of the final Cash Price Calculation and the determination of Net Working Capital, reflecting its resolution of all issues in dispute. The final Cash Price Calculation, as agreed to by the parties or as determined by the Independent Accountants shall be binding on the Parties and all shareholders of the Company (subject to statutory dissenters' rights) and shall be hereinafter referred to as the "Final Cash Price Calculation," and the Cash Price as determined pursuant to the Final Cash Price Calculation is sometimes hereinafter referred to as the "Final Cash Price." The final Net Working Capital determination, as agreed to by the Parties or as determined by the Independent Accountants shall be binding on the Parties and all shareholders of the Company (subject to statutory dissenters' rights) and shall be referred to hereinafter as the "Final Net Working Capital."

(iv) The Surviving Corporation shall bear, and be solely responsible for, all of the costs and expenses incurred by it in connection with the preparation of the Cash Price Calculation and the Final Net Working Capital determination, and shall bear, and be solely responsible for, the costs and expenses incurred by it (including the fees and expenses of its accounting firm) in connection with its review of the Cash Price Calculation and the Net Working Capital determination.

(v) If the Shareholders' Committee does not dispute the Cash Price Calculation or the Net Working Capital determination, the costs and expenses incurred by it in connection with its review of the Cash Price Calculation and the Net Working Capital determination (including the fees and expenses of its attorneys, advisors and accounting firm) (the "Costs and Expenses") shall be paid out of the Escrow Amount, in accordance with Section 4.3(a) of the Escrow Agreement and Indemnity. If the Shareholders' Committee does dispute the Cash Price Calculation and the Net Working Capital determination, and the Cash Price as determined by the Final Cash Price Calculation, either as agreed upon by the parties or as determined by the Independent Accountants, is less than 110% of the Cash Price proposed in the Cash Price Calculation, then the Costs and Expenses of the Shareholders' Committee (including any fees and expenses allocated to it by the Independent Accountants pursuant to Section 2.8(i)(v) below) shall be paid out of the Escrow Amount, in accordance with Section 4.3(a) of the Escrow Agreement and Indemnity. If the Shareholders' Committee disputes the Cash Price Calculation, and the Final Cash Price as determined by the Final Cash Price Calculation, either as agreed upon by the parties or as determined by the Independent Accountants, is equal to or more than 110% of the Cash Price proposed in the Cash Price Calculation, then the Costs and Expenses and any fees and expenses allocated to it by the Independent Accountants pursuant to Section 2.8(i)(v) below) shall be borne one-half by the Surviving Corporation and one-half by the Shareholders' Committee in the form of a payment of expenses from the Escrow Amount.

(vi) If the Independent Accountants are engaged, the Independent Accountants shall be instructed to allocate and account for their fees and out-of-pocket

expenses as they relate to each of the disputed matters which are submitted to them for resolution. Promptly following the time that the matters submitted to the Independent Accountants have been resolved by the Independent Accountants or have been settled among the parties, the Independent Accountants shall determine the manner in which their fees and expenses should be allocated and paid as between the Surviving Corporation (on the one hand) and the Shareholders Committee (on the other hand), taking into account the relationship between the manner in which the disputed matters have been finally settled or resolved and the position each party took initially with respect to the matters when the matters were originally submitted to the Independent Accountants for resolution under this Agreement. The Surviving Corporation and the Shareholders Committee shall pay the fees and expenses of the Independent Accountants in accordance with the manner in which they are allocated by the Independent Accountants and in accordance with Section 2.6(e)(iv) and 2.6(e)(v).

(vii) All such fees and expenses payable by the Shareholders Committee shall be paid from the Escrow Amount.

(f) Net Working Capital

(i) Definition. The term "Net Working Capital" as used in this Agreement means:

a) the sum of the net balances of the cash and cash equivalents, billed accounts receivable, unbilled accounts receivable, reserve against accounts receivable, prepaid expenses and deposits, inventory, deferred income taxes and other current assets of the Company and its Subsidiaries on a consolidated basis as of the Closing Date immediately prior to the Effective Time, less

b) the sum of the balances of the current maturities of long-term debt, line of credit borrowing, accounts payable, accrued liabilities, current deferred revenue, billings in excess of cost, income taxes payable and other current liabilities of the Company and its Subsidiaries on a consolidated basis, as of the Closing Date immediately prior to the Effective Time.

The Net Working Capital shall be determined in accordance with GAAP and with the historical accounting practices, policies, methods and procedures of the Company, consistent with those used in the preparation of its unaudited financial statements for the fiscal year ended January 28, 2000 (the "1/28/00 Financial Statements"). Since the use of estimates is an integral part of the preparation of the financial statements of which the determination of Net Working Capital is a component, and since accounting estimates are inherently subjective, all estimates used in the determination of the Net Working Capital will be prepared on a basis consistent with those used in the preparation of the 1/28/00 Financial Statements. Notwithstanding the foregoing, the Net Working Capital shall not be reduced by any amounts paid or accrued for (A) the Company Transaction Costs, as defined in Article 1, (B) stay bonuses or

extraordinary bonuses paid to employees of the Company and its Subsidiaries in anticipation of the Merger and Transactions (collectively, the "Stay Bonuses"), and (C) early termination or prepayment fees or penalties payable in connection with the prepayment of the Company's existing debt financing with First Union National Bank and Libra Mezzanine Partners (collectively, the "Prepayment Fees"). Further, if any increase in current liabilities or decrease in cash or cash equivalents results from items (A), (B) or (C) above, as they relate to the Merger or Transactions, and such increase in liabilities or decrease in cash is reflected in an increase in the Interest Bearing Debt, such increase in liability or decrease in cash shall not reduce the Net Working Capital of the Company for purposes of Section 2.6 (f).

(ii) **Cash Price Adjustment**. The Cash Price shall be adjusted as provided in Section 2.6(a), based on the determination of the Company's Net Working Capital as of the Closing Date immediately prior to the Effective Time, in accordance with this Section and the provisions of Section 2.8(c). The \$74,000,000 amount contained in the numerator of the fraction used to determine the Cash Price (the "Enterprise Value") shall be adjusted as follows:

- a) if the Final Net Working Capital is less than \$7,100,000, then the Enterprise Value shall be decreased by an amount equal to the difference between \$7,100,000 and the Final Net Working Capital (the "Net Working Capital Adjustment" or "NWC Adjustment").
- b) if the Final Net Working Capital is equal to or greater than \$7,100,000, then there shall be no adjustment to the Enterprise Value, and the Net Working Capital Adjustment shall be zero.

2.7 Retention, Conversion or Exchange of Shares.

(a) Rollover Shares

Certain shares of Class A Common Stock of the Company (the "Rollover Shares") will be retained by the Rollover Shareholders and converted to shares of capital stock of the Surviving Corporation as provided in this Article 2. At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any Rollover Shares, the Rollover Shares shall be (x) in part retained by the holders thereof as outstanding shares of Common Stock and (y) the remainder converted into additional shares of capital stock of the Surviving Corporation, all in accordance with the terms of this Agreement. Each holder of Rollover Shares is sometimes referred to herein as a "Rollover Shareholder."

(i) Closing Rollover Equity

Solely for the purposes set forth in this Section 2.7 and not for purposes of determining the Cash Price or the Preliminary Cash Price, at Closing, Rollover Shares shall be allocated a value of \$20.65 per share. The equity value at

Closing of the Rollover Shares (“Closing Rollover Equity”) held by each Rollover Shareholder shall be calculated as follows:

$$\text{Closing Rollover Equity} = \$20.65 \times \text{RSn}$$

Where:

“RSn” means the number of Rollover Shares held by a Rollover Shareholder immediately prior to the Effective Time.

(ii) **Share Retention and Conversion at Closing**

Each Rollover Shareholder shall be entitled to retain and receive shares of capital stock of the Surviving Corporation at Closing based upon the Closing Rollover Equity attributable to his or her Rollover Shares. The total number of shares of capital stock of the Surviving Corporation to be retained and/or received by each Rollover Shareholder at Closing shall be calculated as follows:

$$\text{Closing Rollover Common Stock} = \frac{\text{Closing Rollover Equity} \times 0.025}{0.2}$$

$$\text{Closing Rollover Preferred Stock} = \frac{\text{Closing Rollover Equity} \times 0.975}{100}$$

Where:

“Closing Rollover Common Stock” means the shares of Common Stock of the Surviving Corporation retained and/or received by a Rollover Shareholder at Closing (from such total number of shares of Common Stock for each Rollover Shareholder).

“Closing Rollover Preferred Stock” means the shares of 8% Cumulative Redeemable Participating Preferred Stock of the Surviving Corporation (the “Preferred Stock”) to be received by a Rollover Shareholder at Closing, and

“Closing Rollover Equity” is defined above.

(iii) **Final Cash Price**

Upon determination of the Final Cash Price pursuant to Section 2.6(e), each Rollover Shareholder may be (A) entitled to receive additional shares of capital stock of the Surviving Corporation or (B) required to make a Rollover Refund as set forth in Section 2.7(a)(iv). The right of a Rollover Shareholder to receive additional shares of capital stock of the Surviving Corporation pursuant to this Section 2.7(a)(iii) shall be determined as follows:

a) If the Final Cash Price is less than or equal to \$20.65, then a Rollover Shareholder shall have no right to receive additional shares of capital stock of the Surviving Corporation pursuant to this Section 2.7(a)(iii) and if the Final Cash Price is less than \$20.65 a Rollover Shareholder shall be required to make a Rollover Refund pursuant to Section 2.7(a)(iv);

b) If the Final Cash Price is greater than \$20.65, then additional shares of capital stock of the Surviving Corporation shall be issued to each Rollover Shareholder within ten days after the date on which the Final Cash Price Calculation is finalized. The Surviving Corporation shall calculate the difference between the Final Cash Price and \$20.65 (“Rollover Delta”). The number of shares of capital stock of the Surviving Corporation to be issued to each Rollover Shareholder shall be calculated as follows:

$$\text{Final Rollover Common Stock} = \frac{(\text{Rollover Delta} \times \text{RSn}) \times 0.025}{0.2}$$

$$\text{Final Rollover Preferred Stock} = \frac{(\text{Rollover Delta} \times \text{RSn}) \times 0.975}{100}$$

Where:

“Final Rollover Common Stock” means the number of additional shares of Common Stock in the Surviving Corporation to be issued to a Rollover Shareholder upon determination of the Final Cash Price.

“Final Rollover Preferred Stock” means the number of additional shares of Preferred Stock to be issued to a Rollover Shareholder upon determination of the Final Cash Price.

“RSn” means the number of Rollover Shares held by a Rollover Shareholder immediately prior to the Effective Time.

“Rollover Delta” means Final Cash Price minus \$20.65.

(iv) Rollover Refund

The Rollover Shareholders pursuant to the Share Purchase Agreement shall create an additional interest bearing escrow account (the “Share Sale Account”) to protect ST-LLC from any excess of \$20.65 over the Final Cash Price with respect to the Rollover Shares. If the Final Cash Price is less than \$20.65, ST-LLC shall be entitled to a refund payment from the Share Sale Account (the “Rollover Refund”) pursuant to the Share Purchase Agreement, calculated as follows:

Rollover Refund = Total Rollover Shares x (\$20.65 - Final Cash Price).

Where:

Total Rollover Shares means the total of all Rollover Shares held by all Rollover Shareholders immediately prior to the Effective Time.

(v) Certificates

Each Rollover Shareholder shall tender to the Company at Closing all Certificates representing his Rollover Shares; provided, however, that each Rollover Shareholder shall be entitled to retain Certificates representing the number of shares of Common Stock retained by such Rollover Shareholder upon consummation of the Merger pursuant to the provisions of this Article 2.

(vi) Escrow Payment

ST-LLC shall pay at Closing to the Escrow Agent on behalf of each Rollover Shareholder an amount equal to the Escrow Portion multiplied by RSN of such Rollover Shareholder in accordance with the provisions of Section 2.2(a) of the Share Purchase Agreement.

(b) Cash-Out Shares

For each share of Company Common Stock issued and outstanding immediately prior to the Effective Time other than (i) Treasury Stock, (ii) stock purchased by ST-LLC pursuant to the Share Purchase Agreement, or (iii) Rollover Shares, the holder shall have the right to receive in cash, without interest, following the Merger the Final Cash Price less the Escrow Portion (the "Immediate Cash Portion") in accordance with the provisions of this Section 2.7(b) and Section 2.8(c). The Escrow Portion shall be held in escrow and disbursed pursuant to the terms of Article 10 and the Escrow Agreement and Indemnity.

(c) ST-LLC Shares

Pursuant to the terms of the Share Purchase Agreement, ST-LLC shall prior to Closing purchase certain shares of Company Common Stock from the Rollover Shareholders (the "Purchase Agreement Shares").

(i) Closing Share Purchase Equity

The equity value at Closing of the Purchase Agreement Shares ("Closing Purchase Agreement Equity") held by ST-LLC for purposes of this Section 2.7 shall be calculated as follows:

Closing Purchase Agreement Equity = Preliminary Cash Price x Purchase Agreement Shares

Where:

“Purchase Agreement Shares” is defined in Section 2.7(c), and

“Preliminary Cash Price” is defined in Section 2.6(d).

The Parties acknowledge and agree that it is their intent that the term “Closing Purchase Agreement Equity” means an amount equal to the aggregate preliminary purchase price (including the aggregate Escrow Portion and aggregate contribution to the Share Sale Account) paid on the Closing Date by ST-LLC for the Purchase Agreement Shares.

(ii) Share Conversion at Closing

At the Effective Time, by virtue of the Merger and without any action on the part of ST-LLC as the holder of the Purchase Agreement Shares, the Purchase Agreement Shares shall be converted into the right to receive shares of capital stock of the Surviving Corporation at Closing based upon the Closing Purchase Agreement Equity attributable to the Purchase Agreement Shares. The number of shares in the Surviving Corporation to be issued to ST-LLC at Closing for the Purchase Agreement Shares shall be calculated as follows:

Closing Purchase Agreement Common Stock = Closing Purchase Agreement Equity x 0.025

0.2

Closing Purchase Agreement Preferred Stock = Closing Purchase Agreement Equity x 0.975

100

Where:

“Closing Purchase Agreement Common Stock” means the shares of Common Stock in the Surviving Corporation allocated to ST-LLC at Closing for Purchase Agreement Shares,

“Closing Purchase Agreement Preferred Stock” means the shares of Preferred Stock in the Surviving Corporation allocated to ST-LLC at Closing for Purchase Agreement Shares, and

“Closing Purchase Agreement Equity” is defined above.

(iii) Final Cash Price

Upon determination of the Final Cash Price pursuant to Section .6(e), ST-LLC may be entitled to receive additional shares of capital stock of the Surviving Corporation for its Purchase Agreement Shares, or may be obligated to assign and return to the Surviving Corporation certain shares of capital stock of the Surviving Corporation. The right of ST-LLC to receive additional shares of capital stock of the Surviving Corporation, and alternatively the obligation of ST-LLC to assign and return shares to the Surviving Corporation, pursuant to this Section 2.7(c)(iii) shall be determined as follows:

- a) If the Final Cash Price is less than or equal to the Preliminary Cash Price, then ST-LLC shall have no right to receive additional shares of capital stock of the Surviving Corporation pursuant to this Section 2.7(c)(iii);
- b) If the Final Cash Price is less than the Preliminary Cash Price, then ST-LLC shall transfer and assign to the Surviving Corporation as a contribution to capital a number of shares of capital stock of the Surviving Corporation, free and clear of liens and encumbrances, determined on the basis of the difference between the Final Cash Price and the Preliminary Cash Price (“Cash Price Delta”), calculated as follows:

$$\text{Return Common} = \frac{(\text{Cash Price Delta} \times \text{Purchase Agreement Shares}) \times 0.025}{0.2}$$

$$\text{Return Preferred} = \frac{(\text{Cash Price Delta} \times \text{Purchase Agreement Shares}) \times 0.975}{100}$$

Where:

“Return Common” means the number of shares of Common Stock of the Surviving Corporation to be transferred by ST-LLC to the Surviving Corporation as a contribution to capital.

“Return Preferred” means the number of shares of Preferred Stock of the Surviving Corporation to be transferred by ST-LLC to the Surviving Corporation as a contribution to capital.

“Purchase Agreement Shares” is defined above.

“Cash Price Delta” means Preliminary Cash Price minus Final Cash Price.

- c) If the Final Cash Price is greater than the Preliminary Cash Price, then additional shares of capital stock of the Surviving Corporation shall be

issued to ST-LLC. Surviving Corporation shall calculate the difference between the Final Cash Price and the Preliminary Cash Price (“Cash Price Delta”). The number of additional shares of capital stock of the Surviving Corporation to be issued to ST-LLC shall be calculated as follows:

Final Purchase Agreement Common = (Cash Price Delta x Purchase Agreement Shares) x 0.025

0.2

Final Purchase Agreement Preferred Stock = (Cash Price Delta x Purchase Agreement Shares) x 0.975

100

Where:

“Final Purchase Agreement Common” means the number of additional shares of Common Stock in the Surviving Corporation to be issued to ST-LLC for Purchase Agreement Shares upon determination of the Final Cash Price.

“Final Purchase Agreement Preferred Stock” means the number of additional shares of Preferred Stock in the Surviving Corporation to be issued to ST-LLC for Purchase Agreement Shares upon determination of the Final Cash Price.

“Purchase Agreement Shares” is defined above.

“Cash Price Delta” means Final Cash Price minus Preliminary Cash Price.

(iv) Certificates

ST-LLC shall tender to the Company at Closing all Certificates representing the Purchase Agreement Shares.

(d) SAC Capital

Prior to the Effective Time, ST-LLC shall make a cash capital contribution to SAC, and the amount equal to the stockholders equity (which shall consist solely of immediately available cash) of SAC immediately prior to the Effective Time, which shall be transferred to the Surviving Corporation by virtue of the Merger, is hereinafter referred to as the “SAC Capital”. At the Effective Time, by virtue of the Merger and without any action on the part of ST-LLC as the holder thereof, all issued and outstanding shares of capital stock of all classes of SAC (the “SAC Capital Stock”) shall be converted into the right to receive shares of capital stock of the Surviving Corporation determined as follows:

$$\text{SAC Common} = \frac{\text{SAC Capital} \times 0.025}{0.2}$$

$$\text{SAC Preferred} = \frac{\text{SAC Capital} \times 0.975}{100}$$

Where:

“SAC Capital” is defined above.

“SAC Common” means the number of Shares of Common Stock in the Surviving Corporation to be issued to ST-LLC in exchange for the SAC Capital Stock.

“SAC Preferred” means the number of shares of Preferred Stock in the Surviving Corporation to be issued to ST-LLC in exchange for the SAC Capital Stock.

(e) Carry Stock

The Surviving Corporation shall create a pool of shares of Common Stock at Closing to be administered and distributed pursuant to the terms of this Agreement, the Senior Management Agreements, and the Stockholders Agreement (the “Carry Stock”). The initial number of shares of Common Stock which shall be included in the Carry Stock as of the Closing Date for these purposes shall be calculated as follows:

$$\text{Closing Carry Stock} = \frac{\text{Closing Common}}{0.85} - \text{Closing Common}$$

Where:

“Closing Carry Stock” means the total number of shares of Common Stock to be included in the Carry Stock as of the Closing Date, including both shares of Carry Stock to be issued pursuant to the Senior Management Agreements on the Closing Date and shares of Carry Stock to be reserved for future issuance after the Closing Date pursuant to the terms of the Stockholders Agreement.

“Closing Common” means the sum of Closing Rollover Common Stock, Closing Purchase Agreement Common Stock, and SAC Common, as defined above.

Upon determination of the Final Cash Price, the number of shares of Common Stock included in the Carry Stock (for issuance pursuant to the terms of the Senior Management Agreements and the Stockholders Agreement) shall be increased as follows:

$$\text{Final Carry Stock} = \frac{\text{Final Common}}{.85} - \text{Final Common}$$

Where:

“Final Carry Stock” means the additional number of shares of Common Stock to be included in Carry Stock upon determination of the Final Cash Price.

“Final Common” means the sum of Final Rollover Common Stock and Final Purchase Agreement Common.

Additionally, the pool of Carry Stock shall be increased from time to time thereafter pursuant to the terms of the Stockholders Agreement.

(f) Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, each share of Company Common Stock that is held by a shareholder who has properly exercised and perfected dissenters’ rights with respect to such share under Sections 30-1-1301 to -1331 of Idaho Law (the “Dissenting Shares”) shall not be converted or exchanged pursuant to this Section 2.7, or be entitled to receive any consideration or Contingent Payments provided in Sections 2.7 and 2.9 but shall be entitled to receive such consideration as determined pursuant to Idaho Law, provided however, that all Dissenting Shares held by stockholders who have failed to perfect or who have effectively withdrawn or lost their rights to appraisal of the Dissenting Shares pursuant to Idaho Law shall be deemed to have been converted into and to have become exchangeable for, as of the Effective Time, the right to receive the Cash Price per share, less the Escrow Portion, together with the right to receive a pro rata share of the Contingent Payments in accordance with Section 2.8(g), all without any interest thereon, in accordance with this Article 2, and such shares shall no longer be Dissenting Shares.

(g) Cancellation of Treasury Stock. Each share of Company Common Stock that is owned by the Company or by any of its Subsidiaries (“Treasury Stock”) shall be canceled and retired and shall cease to exist, and no consideration shall be delivered or deliverable in exchange for such stock.

2.8 Payment for Shares.

(a) Payment Fund. The Surviving Corporation shall be responsible for the payment of the Cash Price pursuant to the terms of this Agreement. Prior to the Effective Time, ST-LLC shall make, as a capital contribution, a payment to SAC in immediately available funds (the “Payment Fund”) in an aggregate amount sufficient, together with the net proceeds of any debt financing not otherwise used for the refinancing of the Surviving Corporation’s outstanding debt on the Closing Date and payment of Closing costs, to fund (i) payment (excluding the Contingent Payments) for all shares of Company Common Stock to be converted into the right to receive the Immediate Cash Portion pursuant to Section 2.7(b), exclusive of any Dissenting Shares, (ii) payment of \$3,000,000 in escrow, and (iii) payment of all amounts payable for Dissenting Shares in accordance with Idaho Law.

(b) TCEP Guarantee. Subject to the conditions precedent to the obligations of TCEP to consummate the Merger and Transactions as set forth in Articles 6 and 8 of the Agreement, TCEP guarantees the prompt and full payment by ST-LLC of such capital contribution to SAC in accordance with this Section 2.8.

(c) Allocation of the Payment Fund at Closing. After refinancing the outstanding debt of the Surviving Corporation as of the Closing Date, the Payment Fund shall in part be allocated to two separate escrow accounts. The Escrow Amount shall be paid from the Payment Fund and placed in escrow pursuant to the terms of the Escrow Agreement and Indemnity. Additionally, an amount shall be paid from the Payment Fund and placed in escrow sufficient to pay the Estimated Cash Price multiplied by the number of shares to be cashed out pursuant to Section 2.7(b), net of the Escrow Amount. Upon consummation of the Merger, the Surviving Corporation, by operation of Idaho Law, shall acquire the Payment Fund. The Surviving Corporation shall pay all payments provided for in this Section 2.8 out of the Payment Fund.

(d) Investments. The Surviving Corporation (or its escrow agent) shall invest portions of the Payment Fund as ST-LLC directs in obligations of or guaranteed by the United States of America, in commercial paper obligations receiving an investment grade rating from both Moody's Investors Services, Inc. and Standard & Poor's Corporation, or in certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding \$1,000,000,000 (collectively, "Permitted Investments"); provided, however, that the maturities of Permitted Investments shall be such as to permit the Surviving Corporation to make prompt payment to former holders of Company Common Stock entitled to such payment as contemplated by this Section 2.8. All earnings on Permitted Investments shall be paid to the Surviving Corporation. If for any reason (including losses) the Payment Fund is inadequate to pay the amounts to which holders of shares of Company Common Stock shall be entitled under this Section 2.8, the Surviving Corporation shall in any event be liable for payment of those amounts.

(e) Payment Procedures. As soon as reasonably practicable after the Effective Time, the Surviving Corporation shall identify each holder (other than the Company, the Rollover Shareholders, or ST-LLC) of a certificate or certificates which, immediately prior to the Effective Time, evidenced outstanding shares of Company Common Stock (the "Certificates"). The Surviving Corporation shall then immediately after the determination of the Cash Price and the Immediate Cash Portion in accordance with the Final Cash Price Calculation mail to each holder of record of a Certificate (i) a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Surviving Corporation, and shall be in such form and have such other provisions as the Surviving Corporation reasonably may determine), and (ii) instructions for use in effecting the surrender of the Certificates in exchange for payment. Upon surrender of a Certificate for cancellation to the Surviving Corporation together with such letter of transmittal, duly executed, and such other customary documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive cash pursuant to the terms of Section 2.7(b) and the Certificate so surrendered shall be immediately canceled. No interest shall be paid or accrued on the Cash Price payable upon the surrender of any Certificate. If

payment is to be made to a person other than the person in whose name the surrendered Certificate is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such payment shall pay any transfer or other Taxes required by reason of the payment to a person other than the registered holder of the surrendered Certificate or established to the satisfaction of the Surviving Corporation that such Tax has been paid or is not applicable. Until surrendered in accordance with the provisions of this Section 2.8, each Certificate (other than Certificates representing Shares owned by the Company, the Rollover Shareholders, or ST-LLC, or the Dissenting Shares), shall represent for all purposes only the right to receive the Cash Price and the Contingent Payments in accordance with Sections 2.7 and 2.9 and this Section 2.8, subject to the provisions of Article 10 and the Escrow Agreement and Indemnity. In the event that any Certificate shall have been lost, stolen or destroyed, the Surviving Corporation will pay in exchange for such lost, stolen or destroyed Certificate the Cash Price deliverable in respect of the Certificate pursuant to this Agreement upon the delivery of a duly executed affidavit of that fact by the holder claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, reasonable indemnification against any claim that may be made against the Surviving Corporation with respect to such Certificate.

(f) Termination of Payment Fund; Interest. Any portion of the Payment Fund which remains undistributed to the holders of Company Common Stock for six months after the Effective Time shall be the property of the Surviving Corporation, and any holders of Company Common Stock who have not complied with this Section 2.8 and the instructions set forth in the letter of transmittal mailed to such holder after the Effective Time shall thereafter look only to the Surviving Corporation for payment of the Cash Price to which they are entitled. All interest accrued in respect of the Payment Fund shall inure to the benefit of and be paid to the Surviving Corporation.

(g) No Liability. The Surviving Corporation shall not be liable to any holder of shares of Company Common Stock for any cash from the Payment Fund validly and properly delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(h) Withholding Rights. The Surviving Corporation shall be entitled to deduct and withhold from the Cash Price and Contingent Payments otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock such amounts as the Surviving Corporation is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which such deduction and withholding was made by the Surviving Corporation.

(i) Payment of Contingent Payments.

(i) Within 10 days after the Surviving Corporation has collected, realized or calculated any of the amounts set forth in Section 2.9(a)(i) and (ii), the

Surviving Corporation shall calculate the pro-rata amount due to each Holder (as defined in Section 2.9), and shall submit such calculations (the “Contingent Payment Calculation”) to the Shareholders’ Committee for review.

(ii) The Surviving Corporation shall provide the Shareholders’ Committee (and its accountants and other representatives) with full and complete access to the work papers, schedules or other supporting documentation prepared by or on behalf of the Surviving Corporation in connection with the Contingent Payment Calculation immediately following the time that the Surviving Corporation delivers such calculations to the Shareholders’ Committee.

(iii) In the event that the Shareholders’ Committee disputes the correctness of the Contingent Payment Calculation, the Shareholders’ Committee shall notify the Surviving Corporation in writing of its objections within 15 days after its receipt of the Contingent Payment Calculation, and shall describe, in reasonable detail, the reasons for its objections. Unless the Shareholders’ Committee delivers a notice of objection to the Surviving Corporation within the 15 day period, the Shareholders’ Committee shall be deemed to have accepted the Contingent Payment Calculation provided to the Shareholders’ Committee by the Surviving Corporation. If the Shareholders’ Committee delivers a notice of objection to the Surviving Corporation within the 15 day period, the Shareholders’ Committee and the Surviving Corporation shall thereafter endeavor in good faith to resolve any disputed items within 15 days after the date of the Surviving Corporation’s receipt of the Shareholders’ Committee’s notice of objection. In the event that the Surviving Corporation and the Shareholders’ Committee are unable to resolve any items in dispute relating to the Contingent Payment Calculation within such 15 day period, the matters shall be promptly referred to the Independent Accountants and the Independent Accountants shall be instructed to prepare and deliver to the Surviving Corporation and the Shareholders’ Committee, within ten days, a statement of the final Contingent Payment Calculation, reflecting its resolution of all issues in dispute. The final Contingent Payment Calculation, as agreed to by the parties or as determined by the Independent Accountants, shall be final and binding on all Parties and shareholders of the Company and shall be hereinafter referred to as the “Final Contingent Payment Calculation.”

(iv) If the Shareholders’ Committee does not dispute the Contingent Payment Calculation, the costs and expenses incurred by it in connection with its review of the Contingent Price Calculation (including the fees and expenses of its attorneys, advisors and accounting firm) (the “Costs and Expenses”) shall be paid out of the Escrow Amount, in accordance with Section 4.3(a) of the Escrow Agreement and Indemnity. If the Shareholders’ Committee does dispute the Contingent Price Calculation, and the Contingent Payment as determined by the Final Contingent Payment Calculation, either as agreed upon by the parties or as determined by the Independent Accountants, is less than 110% of the Contingent Payment Calculation, then the Costs and Expenses of the Shareholders’ Committee (including any fees and expenses allocated to it by the Independent Accountants pursuant to Section 2.8(i)(v) below) shall be paid out of the

Escrow Amount, in accordance with Section 4.3(a) of the Escrow Agreement and Indemnity. If the Shareholders' Committee disputes the Contingent Payment Calculation, and the Contingent Payment as determined by the Final Contingent Payment Calculation, either as agreed upon by the parties or as determined by the Independent Accountants, is equal to or more than 110% of the Contingent Payment proposed in the Contingent Payment Calculation, then the Costs and Expenses and any fees and expenses allocated to it by the Independent Accountants pursuant to Section 2.8(i)(v) below) shall be borne one-half by the Surviving Corporation, and one-half by the Shareholders' Committee in the form of a payment of expenses from the Escrow Amount.

(v) If the Independent Accountants are engaged, the Independent Accountants shall be instructed to allocate and account for their fees and out-of-pocket expenses as they relate to each of the disputed matters which are submitted to them for resolution. Promptly following the time that the matters submitted to the Independent Accountants have been resolved by the Independent Accountants or have been settled among the parties, the Independent Accountants shall determine the manner in which their fees and expenses should be allocated and paid as between the Surviving Corporation (on the one hand) and the Shareholders Committee (on the other hand), taking into account the relationship between the manner in which the disputed matters have been finally settled or resolved and the position each party took initially with respect to the matters when the matters were originally submitted to the Independent Accountants for resolution under this Agreement. The Surviving Corporation and the Shareholders Committee shall pay the fees and expenses of the Independent Accountants in accordance with the manner in which they are allocated by the Independent Accountants and in accordance with Section 2.8(c)(iv). All such fees and expenses payable by the Shareholders' Committee shall be paid from the Escrow Amount.

2.9 Contingent Payments.

(a) Contingent Payments. Each holder of Company Common Stock who is entitled to receive cash for his shares of Company Common Stock pursuant to Section 2.7(b), and each holder of Rollover Shares (all such holders are collectively referred to in this Section 2.9 as the "Holders") shall have the contingent right to receive additional payments from the Surviving Corporation (the "Contingent Payments"), as follows:

(i) Any amounts of principal and interest collected by the Surviving Corporation on or after the Closing Date (less any costs of collection) with respect to the note receivable held by the Company from OneWest, Inc., in the original principal amount of \$552,789.50, shall be distributed by the Surviving Corporation to the Holders on a pro-rata basis, within 30 days after the Surviving Corporation's receipt of such amounts, or as soon as possible after the determination of the amounts payable under this subsection in accordance with Section 2.8(i).

(ii) The amount of any reduction in Tax liabilities of the Company realized by the Surviving Corporation on or after the Closing Date as a result of Tax

deductions becoming available to the Surviving Corporation in connection with (x) the exercise of options or warrants for the purchase of Company Common Stock during the period from March 28, 2000 until the Closing, and (y) the Prepayment Fees and the losses on early extinguishment of debt in connection with the refinancing of debt owed to Libra Mezzanine Partners shall be distributed by the Surviving Corporation to the Holders, on a pro-rata basis, within 30 days after such realization by the Surviving Corporation, or as soon as possible after the determination of the amounts payable under this Section in accordance with Section 2.8(l). A reduction in Tax liabilities shall be realized a reduction in Tax liabilities shall be realized at such time as there is a reduction in actual Tax payments made by the Surviving Corporation (or any successor entity thereto) attributable to such deductions (including reductions in estimated Tax payments), with such deductions being taken into account only after any and all other losses or deductions of the Surviving Corporation (or the members of its consolidated group) for such taxable period.

(iii) Any amount or amounts of the Escrowed Funds, as defined in the Asset Purchase Agreement between OneWest, Inc. and SRVNet, Inc., dated January 4, 2000, and amended by the Addendum to Asset Purchase Agreement, dated January 17, 2000, collected by the Surviving Corporation on or after the Closing Date, shall be distributed by the Surviving Corporation to the Holders on a pro rata basis, within 30 days after the Surviving Corporation's receipt of such amounts, or as soon as possible after determination of the amounts payable under this subsection in accordance with Section 2.8(i).

(iv) Any Contingent Payment shall be net of any reasonable out-of-pocket expenses incurred by Surviving Corporation to calculate and distribute such Contingent Payment.

(v) The determination of each Holder's pro-rata share under this Section 2.9 shall be calculated by dividing the number of Rollover Shares and shares sold pursuant to the Share Purchase Agreement of each Holder, or the number of shares of Company Common Stock for which each Holder is entitled to receive cash payment pursuant to Section 2.7(b) hereof, as appropriate, by the sum of (1) number of shares of Company Common Stock held by all Holders as of the close of business on the day before the Closing Date (including those shares sold pursuant to the Share Purchase Agreement), and (2) the number of shares of Company Common Stock issued to the Meson Stockholders on the Closing Date prior to the Effective Time pursuant to the Meson Merger Agreement.

2.10 Stock Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed in relation to Company Common Stock and there shall be no further registration of transfer of shares of Company Common Stock thereafter on the records of the Company. On or after the Effective Time, any Certificates properly presented to the Surviving Corporation or the Paying Agent for any reason shall be converted into the Cash Price.

2.11 Related Agreements. All Related Agreement shall be executed by all parties except the Purchasers prior to Closing provided, however, that the Related Agreements (except the Articles of Amendment) shall not be deemed delivered or effective until consummation of the Merger, and if the Merger is not consummated then such Related Agreements (except the Articles of Amendment) shall be void and without effect. On the Closing Date:

- (a) TCEP and ST-LLC shall execute and deliver the Equity Purchase Agreement;
- (b) TCEP, ST-LLC and SAC shall execute and deliver the Escrow Agreement and Indemnity;
- (c) TCEP and ST-LLC shall execute and deliver the Stockholders Agreement;
- (d) TCEP and ST-LLC shall execute and deliver the Investor Rights Agreement;
- (e) After the Effective Time, the Surviving Corporation shall execute and deliver a Senior Management Agreement with certain senior managers of the Company. The amount of shares of Executive Stock, as defined in the Senior Management Agreement to be issued and sold by the Surviving Corporation to each such individual pursuant to each Senior Management Agreement (subject to the aggregate limitations set forth in the Stockholders Agreement), as well as the amounts of annual salary and annual performance bonuses payable to each such individual thereunder, shall be as determined in good faith by Nicholas Kaufman and approved by Purchasers; and
- (f) After the Effective Time, Thoma Cressey Equity Partners, Inc., an Affiliate of TCEP and the Surviving Corporation shall execute and deliver a Professional Services Agreement.

END OF PLAN OF MERGER

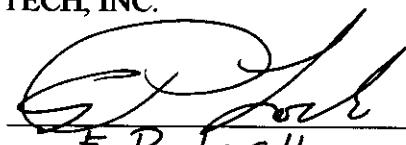
7. The Merger shall be effective as of the time of filing of these Articles of Merger.

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IN WITNESS WHEREOF, Scientech, Inc. has caused these Articles of Merger to be executed by its duly authorized President this 28th day of April, 2000.

SCIENTECH, INC.

By:

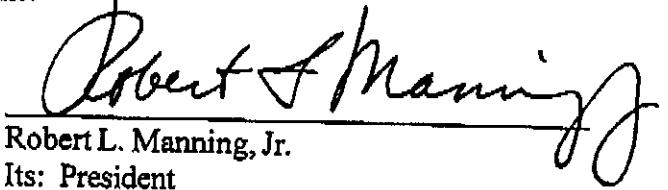


E.P. LOCH
Its President

IN WITNESS WHEREOF, SAC, Inc. has caused these Articles of Merger to be executed by its duly authorized President this 28th day of April, 2000.

SAC, Inc.

By:


Robert L. Manning, Jr.
Its: President