



October 14, 2005

Proposal number: KR05064 Rev. A

Mr. Allan Paul
North Carolina Department of Transportation
Rail Division
1 S. Wilmington St.
Raleigh, NC 27601

Dear Mr. Paul:

Thank you for your interest in the products and services of Tech Systems, Inc. We appreciate the opportunity to share with you our capabilities in security design and integration services and how we will be able to assist you with your security management plans.

On the following pages you will find details on the scope of work, a brief description of the equipment requested and pricing. The terms and conditions of this proposal are also enclosed.

If all prices and terms meet with your approval, please sign, initial all pages, and return to our office so that we may process your order as quickly as possible.

Tech Systems looks forward to working with you on this project to meet and exceed your expectations. If I can be of additional assistance, please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Rugh".

Keith Rugh
Account Manager

Tech Systems, Inc.
3400 Corporate Way, Suite F, Duluth, GA 30096
(770) 495-8700 Fax (770) 495-1882
www.techsystemsinc.com

TERMS OF SALE

TO: Mr. Allan Paul
2005

DATE: October 14,

North Carolina Department of Transportation

RE: Security Management System – CCTV Data Network
Proposal number: KR05064 Rev. A

TERMS OF SALE:

This sale shall be subject to credit approval, freight charges and applicable taxes.

Upon acceptance of the order by Tech Systems, Inc., all equipment will be ordered and delivered to the client site. An invoice shall be submitted for payment in full upon completion and acceptance of the installation. **All invoices are due Net 30.**

Delivery is typically 45 to 60 days upon acceptance of order. This proposal is firm for 60 days from date of issue.

STATEMENT OF WARRANTY:

Tech Systems will provide the necessary labor and assistance for warranty claims against manufacturers due to equipment failure during the manufacturers stated warranty period, not to exceed one year. This warranty does not cover acts of nature, misuse, vandalism or unauthorized attempts to repair equipment. The design and integration of the security system covered within this proposal attempts to meet the requirements as specified by the client. Tech Systems, Inc. makes no warranty nor assumes any liability as to the operation of this system to prevent loss or exposure to liability the client may experience as a result of the actions of others.

LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES:

You, the client, acknowledges that neither Tech Systems, Inc. nor any third party designated by Tech Systems, Inc. which provides service to you is an insurer, that insurance, if any, will be obtained by you and that the amounts payable to Tech Systems, Inc. under this agreement are based on the value of the services and the scope of liability as herein set forth and are unrelated to the value of your property or the property of others located in your premises. The parties agree that it is impractical and extremely difficult to fix the actual damages that may proximately result from the failure on the part of Tech Systems, Inc. to perform any of obligations and client agrees that they do not desire that this agreement provide for the full liability of Tech Systems, Inc. or any such third party and further agree that Tech Systems, Inc. and any such third party will be exempt from liability for loss or damage due directly or indirectly to occurrences, or consequences there from, which the service is designed to detect or avert, and that if Tech Systems, Inc. or any such third party should be found liable for loss or damage due to a failure of service in any respect, its liability will be limited to a sum equal to 15% of the annual service charge or \$250, whichever is greater, as agreed upon damages and not as a penalty, as the exclusive remedy and that the provisions of this paragraph will apply if loss or damage, irrespective of the cause or origin, results directly or indirectly to person or property from performance or nonperformance of obligations imposed by this agreement or from negligence of any degree, active or otherwise of Tech Systems, Inc. and any such third party and their agents or employees and no suit or action will be brought against Tech Systems, Inc. more than one (1) year after the accrual of the cause of action therefore.

DATE ACCEPTED: _____
BY:

SUBMITTED BY:



PRINT NAME: _____
TITLE: _____

J.L. Keith Rugh III
Account Manager

Purchase Order Number: _____

SCOPE OF WORK

TO: Mr. Allan Paul
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RE: Security Management System – CCTV Data Network
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SCOPE OF WORK:

Tech Systems will provide and install networking hardware and circuitry for the security management system at the NC DOT - Rail Division, as outlined in our recent site visits.

Tech Systems will provide and install fourteen (14) discrete high-speed T1 data circuits at the following locations:

Rocky Mount station
Wilson Station
Selma station
Raleigh station
Cary station
Burlington station
High Point station
Salisbury station
Kannapolis station
Gastonia station
Fayetteville station
Southern Pines station
Hamlet station
Capital Yard

At each location, Tech Systems will provide and install the necessary routers and network switches.

Networking infrastructure and backbone will be provided by BellSouth based on the design criteria supplied by NCDOT and reviewed by both Tech Systems and BellSouth. To insure the operational integrity of the system, service and support of the backbone will be directly provided by BellSouth.

Scope of Work, continued

BellSouth will aggregate these circuits into a DS3 fiber optic trunk at the NC DOT Highway Building. At this location, Tech Systems will provide the router and network switches necessary for network administration.

Tech Systems will provide system cable and miscellaneous hardware.

Tech Systems will provide system programming and training.

Exceptions to Scope of Work

Unless otherwise noted in the Scope of Work the following are to be provided by others:

All sources of AC power.

All connections to client provided LAN/WAN, all network drops, and static IP address.

All PC's and required networking to operate the system.

All database transfers from existing or peripheral systems.

All phone lines.

All terminated fiber optic cable paths between system devices.

All interconnect conduit above ceiling.

Termination to the facilities' fire alarm system for emergency egress. Interconnect cable from access control system to fire alarm system is provided.

Service or repairs to existing equipment to be integrated into the proposed system.

All patch, paint or repair to restore surfaces from previous system installations.

EQUIPMENT

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Qty	Manufacturer/Description	Unit Cost
1	Cisco Cisco 7204 VXR w/IP software	\$ 10,141.00
1	Cisco Cisco 7200 AC power supply option	\$ 0.00
1	Cisco Power cord, 110V	\$ 0.00
1	Cisco 7200 network processing engine	\$ 25,351.00
2	Cisco 8-port multichannel T1/E1 8PRI port adapter	\$ 19,605.00
1	Cisco Cisco 7200 series IOS IP PLUS	\$ 0.00
1	Cisco Two 128MB memory modules for NPE-G1	\$ 0.00
1	Cisco Compact flash disk for NPE-G1, 64MB	\$ 0.00
14	Cisco Cisco 1721 router	\$ 1,477.00
14	Cisco T1 interface card	\$ 1,239.00
15	Linsys 8-port switch	\$ 169.00
12	Pelco DVR lock box w/shelf	\$ 257.00
12	Pelco Wall mount kit	\$ 39.00
1	Tech Systems Cable & Hardware	
1	Tech Systems Shipping & Handling	

Total Equipment Value	\$118,813.00
BellSouth Network Access Value	\$718,056.00
Total Installation Value	\$102,180.00

TOTAL SYSTEM VALUE \$939,049.00

**Network access price reflects discounts based on a 36-month commitment.
Shorter-term commitments may increase monthly network access price.**