FORM 8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 30, 2012

SAND HILLS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**000-53736**	**26-4803428**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

10900 Pump House Road, Suite B
Annapolis Junction, Maryland 20701
(Address of principal executive offices and Zip Code)

(240) 280-8030
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

CURRENT REPORT ON FORM 8-K

SAND HILLS, INC.

March 30, 2012

TABLE OF CONTENTS

Item 1.01 Entry into a Material Definitive Agreement

Summary

On March 30, 2012, **SAND HILLS, INC.**, a Nevada corporation ("**Sand Hills**"), completed a reverse merger transaction among the Company; **UNITED STRATEGIES, INC**., a Delaware corporation ("**USI**"); **PROMARK TECHNOLOGY, INC**., a Maryland corporation and wholly-owned subsidiary of USI ("**Promark**"); and **PROMARK ACQUISITION CORPORATION**, a Delaware corporation and our newly-created, wholly-owned subsidiary ("**Merger Sub**"), pursuant to which Merger Sub merged with and into USI, with USI continuing as the surviving entity (the "**Reverse Merger**") and our wholly-owned subsidiary (Sand Hills, USI as surviving entity and subsidiary of Sand Hills, and Promark as subsidiary of USI collectively constitute the "**Company**," "**we**" or "**us**"). The Reverse Merger was consummated under Delaware corporate law pursuant to an Agreement and Plan of Merger, dated as of March 16, 2012 (the "**Merger Agreement**"), as discussed below.

As a result of the Reverse Merger, we are now engaged with Promark in the business of information technology distribution. We distribute software and hardware products through a worldwide network of corporate and value-added resellers ("**VARs**"), consultants, and systems integrators. We offer an extensive line of products from leading hardware and software vendors. Our main website address is www.promarktech.com. Reference to these "uniform resource locators" or "URLs" is made as an inactive textual reference for informational purposes only. Information on our websites should not be considered filed with the Securities and Exchange Commission, and is not, and should not be deemed to be, a part of this report.

The Reverse Merger

At the closing of the Reverse Merger, the former stockholders of USI received shares of our common stock for all of the outstanding shares of common stock and preferred stock of USI held by them. As a result, at the closing of the Reverse Merger, we issued an aggregate of 21,414,263 shares of our common stock to the former stockholders of USI. The shares issued to USI's former stockholders represent approximately 91.46% of our outstanding shares of common stock, inclusive of 2,000,000 shares of common stock issued at the initial formation of Sand Hills. The consideration issued in the Reverse Merger was determined as a result of arm's-length negotiations between Sand Hills and USI.

Immediately prior to the closing of the Reverse Merger, the former stockholders of USI also held outstanding stock options to purchase shares of common stock of USI. Pursuant to the Merger Agreement, we have agreed to issue to former USI optionholders substitute options to purchase a number of shares of our common stock based upon the ratio used to determine the number of shares issuable to USI stockholders in connection with the Reverse Merger. We are obligated upon the exercise of those stock options to issue 16,585,724 shares or approximately 41.46% of our total outstanding shares and options.

Changes Resulting from the Reverse Merger

We intend to carry on USI's information technology distribution business through its subsidiary Promark as our sole line of business. We have relocated our executive offices to those of Promark at 10900 Pump House Rd., Annapolis Junction, Maryland 20701. Our new telephone number is (240) 280-8030, fax number is (301) 725-7869, and corporate website is www.promarktech.com. The contents of our website are not part of this current report.

Change of Board Composition and Executive Officers

Prior to the closing of the Reverse Merger, our Board of Directors was composed only of E. Robert Selby, Randolph Ream and Karl Bechtold. On March 30, 2012, immediately following closing of the Reverse Merger, Mr. Selby, Mr. Ream and Mr. Bechtold appointed Dale R. Foster, William J. Ochall, Stephen T. Hartung, Charles E. Bass and Paul Giovacchini to the Board of Directors. The new directors accepted the resignations of Mr. Selby, Mr. Ream, and Mr. Bechtold. The current Board of Directors consists of five members.

Mr. Foster, Mr. Hartung and Mr. Ochall are all former USI directors. Mr. Bass is a current Promark employee and Mr. Giovacchini not employed by the Company. All directors will hold office until the next annual meeting of stockholders.

Prior to the closing of the Reverse Merger, Mr. Selby was our President, Chief Executive Officer, and Chief Financial Officer. Mr. Selby resigned from all of those offices effective March 30, 2012.

On March 30, 2012, the Board of Directors of Sand Hills named the following persons as new executive officers: Dale R. Foster as Chief Executive Officer and President; and William J. Ochall as Chief Financial Officer. These individuals held those same positions with USI and Promark prior to the Reverse Merger and will continue in the same capacities with the Company. The Board of Directors of Promark will appoint Stephen T. Hartung as Vice President of Promark and Charles E. Bass as Vice President – Alliances of Promark. Officers of the Company are elected annually by our Board of Directors and serve at its discretion.

Each of the executive officers of Sand Hills and Promark named above have entered into new employment agreements in connection with the Reverse Merger. See "Directors and Executive Officers - Employment Agreements" for the terms of those agreements.

Change of Stockholder Control

Except as described above under "Change of Board Composition and Executive Officers," no arrangements or understandings exist among our present or former controlling stockholders with respect to the election of persons to our Board of Directors and, to our knowledge, no other arrangements exist that might result in a change of control of our company. We will become a "non-accelerated filer," as defined under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), following the Reverse Merger.

Accounting Treatment

In accordance with Financial Accounting Standards Board ("**FASB**") Accounting Standards Codification ("**ASC**") 805, "Business Combinations," Sand Hills is considered the legal acquirer in the Reverse Merger, sometimes referred to as the reverse recapitalization or reverse acquisition. Because USI's former stockholders as a group retained or received the larger portion of the voting rights in the combined entity and USI's senior management represents all of the senior management of the combined entity, USI was considered the acquirer for accounting purposes and will account for the exchange transaction as a reverse acquisition. The Reverse Merger will be accounted for as the recapitalization of Sand Hills since, at the time of the acquisition, Sand Hills was a company with minimal assets and liabilities. Consequently, the assets and liabilities and the historical operations that will be reflected in the consolidated financial statements will be those of USI's and will be recorded at the historical cost basis of USI's.

Articles of Incorporation and Bylaws

Following the Reverse Merger, the existing Articles of Incorporation and Bylaws of the Company remain in place.

Sand Hills Stock Option Plan

On March 30, 2012, we adopted the Sand Hills 2012 Omnibus Stock Plan (the "**Company Plan**"), under which 21,000,000 shares of our common stock were reserved for issuance as incentive equity awards. The purpose of the Company Plan is two-fold. First, in connection with the Reverse Merger, we substituted each stock option granted under USI's 2001 Stock Option Plan, with a substantially similar equity award granted under the Company Plan (subject to proportionate adjustments to reflect the ratios used in consummating the Reverse Merger). Accordingly, of the 21,000,000 shares of our common stock that are reserved for issuance as awards under the Company Plan, 16,585,724 were issued as substitute awards, leaving an additional 4,414,276 shares for issuance thereunder. Second, the shares of stock remaining available for issuance under the Company Plan will be used for attracting and retaining employees, management, directors and outside consultants, who will be granted awards at or above fair market value from time to time under the guidance and approval of our Board of Directors or compensation committee or such other group as is vested by our Board of Directors with the power to administer the Company Plan, and in accordance with the terms of the Company Plan. See "Directors and Executive Officers - Incentive Compensation Plans."

Item 2.01 Completion of Acquisition or Disposition of Assets

Reference is made to Item 1.01 above, "Entry into a Material Definitive Agreement" and the contents of that section are incorporated herein, as if fully set forth under this Section 2.01.

Form 10 Disclosure

Business

General

Promark was incorporated in 1971 in the State of Maryland and USI was incorporated in Delaware in 1998.

The Company is an information technology distributor, focused on emerging storage technology. We resell software and hardware developed by manufacturers and provide technical, marketing, and logistic services directly to customers in the United States and Canada. We offer an extensive line of products from leading vendors of storage, storage management, storage virtualization and storage connectivity solutions.

The Company's main website address is www.promarktech.com, and the other websites maintained by our business include www.promarkservice.com and www.promarkgov.com. Information on Promark's websites should not be considered filed with the Securities and Exchange Commission, and is not, and should not be deemed to be, a part of this report. Promark operates through a worldwide network of corporate and value-added resellers, consultants, and systems integrators.

Competition

The information technology market is a highly competitive and fluid market segment. Pricing is very aggressive in both hardware and software distribution and reselling, and Promark expects pricing pressure to continue. Promark faces competition from a wide variety of sources, competing against much larger broad-line distributors, value based distributors, as well as specialty distributors. In some cases we also compete with the direct sales teams of the vendors we represent when their model allows them to sell directly to the VARs and end-customers. Many of our competitors compete principally on the basis of price, product availability, customer service and technical support. According to StorageNewsletter.com, since 2011 there have been 337 new storage start-up companies. These emerging storage technology companies represent a disproportionately large part of the storage industry technical innovation. In addition to leading the introduction of new storage technology to the market, the emerging storage companies also have more efficient and nimble sales processes that allow them to outpace the overall market growth rates. The result of these emerging companies high growth coupled with high rates of technical innovation is a consistent cycle of acquisitions by larger storage manufacturers. StorageNewsletter.com further states that in 2011 alone, 19 emerging storage technology companies were acquired.

There can be no assurance that the Company can compete effectively against existing competitors or new competitors that may enter the market or that it can generate profit margins which represent a fair return to the Company. In addition, price is an important competitive factor in the information technology market and there can be no assurance that the Company will not be subject to increased price competition. An increase in the amount of competition faced by the Company, or its failure to compete effectively against its competitors, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company competes to attract prospective buyers and in sourcing new products from hardware and software developers, as well as in marketing its current product line to its customers. We believe that our ability to offer VARs and IT professionals a wide selection of products at reasonable prices with prompt delivery and high customer service levels, along with our good relationships with vendors and suppliers, allows us to compete effectively in acquiring prospective buyers and marketing our current product lines to our customers. The Company also competes to gain distribution rights for new products primarily on the basis of our long standing reputation and our relationships with key industry executives of hardware and software vendors.

The market for hardware and software products is characterized by rapid changes in technology, user requirements, and customer specifications. The manner in which products are distributed and sold is changing, and new methods of distribution and sale may emerge or expand. IT vendors have sold, and may intensify their efforts to sell, their products directly to end-users. The continuing evolution of the Internet as a platform in which to conduct e-commerce business transactions has both lowered the barriers for competition and broadened customer access to products and information, increasing competition and reducing prices. From time to time, certain IT vendors have instituted programs for the direct sale of large order quantities of hardware and software to certain major corporate accounts. These types of programs may continue to be developed and used by various vendors. There can be no assurances, that hardware and software vendors will continue using distributors and resellers to the same extent they currently do. Future efforts by hardware and software vendors to bypass third-party sales channels could materially and adversely affect the Company's business operations and financial conditions.

For a description of additional risks relating to competition in our industry, please refer to "Risk Factors": "We rely on our suppliers for product availability, marketing funds, purchasing incentives and competitive products to sell", and "The IT products and services industry is intensely competitive and actions of competitors, including manufacturers of products we sell, can negatively affect our business."

Products

The Company offers a wide variety of products from a broad range of software publishers and hardware manufacturers, including DotHill Systems Corp., ExaGrid Systems Inc., Scale Computing Inc., Veeam Software Corporation, Quest Software, Inc., Nexsan Corporation, Qlogic Corporation, Data Robotics, Inc., FalconStor, Inc., and Promise Technology, Inc. We continually screen new manufacturers for inclusion of their products in our product offerings based on their features, quality, price, profit margins and warranties, as well as on current sales trends and sales coverage.

Marketing and Distribution

We market products through creative marketing communications, including our web sites, and local and on-line seminars. We also use direct e-mail and printed material to introduce new products and upgrades, to cross-sell products to current customers, and to educate and inform existing and potential customers. We believe that our blend of electronic and traditional marketing and selling programs are important marketing vehicles for our hardware and software manufacturers. These programs provide a cost-effective and service-oriented means to market and sell and fulfill hardware and software products to meet the needs of users.

The Company had one customer, CDW Corporation, that accounted for 22% of consolidated net sales for the fiscal year ended June 30, 2011 and, as of January 31, 2012, 7.8% of total net accounts receivable. For the fiscal year ended June 30, 2010, CDW Corporation accounted for 24% of consolidated net sales. Our top five customers for the fiscal years ended June 30, 2011and 2010 accounted for 32% and 37% of consolidated net sales, respectively.

The Company allows orders to be placed via electronic means such as email, fax, or electronic data interchange as well as telephonically, provided that the customer has filled out the required bank and trade information and has an account in good standing with the Company. The Company generally ships products within 48 hours of confirming a customer's order. This allows for minimum backlog in the business. As of December 31 2011, the Company's order backlog was $6.34 million dollars compare to a backlog of $5.98 million dollars for December 31 2010. The Company expects to fill all of the outstanding orders within the current fiscal year.

Customer Support

We believe that providing a high level of customer service is necessary to compete effectively and is essential to continued sales and revenue growth. Our account representatives assist our customers with all aspects of purchasing decisions, process products ordered, and respond to customer inquiries on order status, product pricing and availability. The account representatives are trained to answer all basic questions about the features and functionality of products. To deal with technical issues, Promark maintains an in-house technical support staff along with a professional services staff that perform remote and onsite installations, upgrades and integration services.

Purchasing and Fulfillment

The Company's success is dependent, in part, upon the ability of its suppliers to develop and market products that meet the changing requirements of the marketplace. The Company believes it enjoys good relationships with its vendors. The Company and its principal vendors have cooperated frequently in product introductions, product trainings and in other marketing programs. As is customary in the industry, the Company has no long-term supply contracts with any of its suppliers. Substantially all of the Company's contracts with its vendors are terminable upon 90 days' notice or less. Moreover, the manner in which IT software and hardware products are distributed and sold is changing, and new methods of distribution and sale may emerge or expand. The Company's business and results of operations may be adversely affected if the terms and conditions of the Company's authorizations with its vendors were to be significantly modified or if certain products become unavailable to the Company.

We believe that effective purchasing from a diverse vendor base is a key element of our business strategy. For the fiscal year ended June 30, 2011, only purchases from Compellent Technologies Inc. and ExaGrid Systems Inc. made up more than 10% of our total purchases. For the fiscal year ended June 30, 2011, purchases from Compellent Technologies Inc. and ExaGrid Systems accounted for 12.6% and 11.2%, respectively, of our total purchases. The loss of a key vendor or group of vendors could disrupt our product availability and otherwise have an adverse effect on the Company.

In 2011, the Company purchased approximately 96% of its products directly from manufacturers and software publishers and the balance from multiple distributors. Most suppliers or distributors will "drop ship" products directly to the customers, which reduces physical handling by the Company. Inventory management techniques, such as "drop shipping" allow the Company to offer a greater range of products without increased inventory requirements or associated risk. The Company has agreements with many of its vendors to allow for drop shipments to help shorten the delivery time frame.

Inventory levels may vary from period to period, due in part to increases or decreases in sales levels, the Company's practice of making large-volume purchases when it deems the terms of such purchases to be attractive, and the addition of new suppliers and products. Moreover, the Company's order fulfillment and inventory control systems allow the Company to order certain products just in time for next day shipping. The Company promotes the use of electronic data interchange ("**EDI**") with its suppliers and customers, which helps reduce overhead and the use of paper in the ordering process. Although brand names and individual products are important to our business, we believe that competitive sources of supply are available for substantially all of the product categories we carry.

The Company operates distribution facilities in Annapolis Junction, Maryland.

Management Information Systems

The Company operates management information systems on Windows 2008 platforms that allow for centralized management of key functions, including inventory, accounts receivable, purchasing, sales and distribution. We are dependent on the accuracy and proper utilization of our information technology systems, including our telephone, web sites, EDI, e-mail and fax systems.

The management information systems allow the Company to monitor sales trends, provide real -time product availability and order status information, track direct marketing campaign performance and to make marketing event driven purchasing decisions. In addition to the main system, the Company has systems of networked personal computers, as well as microcomputer-based desktop publishing systems, which facilitate data sharing, website design and control and provide an automated office environment.

The Company recognizes the need to continually upgrade its management information systems to most effectively manage its operations and customer database. In that regard, the Company anticipates that it will, from time to time, require software and hardware upgrades for its present management information systems.

Trademarks

The Company conducts its business under the various trademarks and service marks of Promark. The Company protects these trademarks and service marks and believes that they have significant value to us and are important factors in our marketing programs.

Employees

As of December 31, 2011, Promark had 37 full-time employees and 2 part-time employees. The Company is not a party to any collective bargaining agreements with its employees, has experienced no work stoppages and considers its relationships with its employees to be satisfactory.

Available Information

Under the Exchange Act, the Company is required to file annual, quarterly and current reports, proxy and information statements and other information with the SEC.

Risk Factors

Investors should carefully consider the risk factors set forth below as well as the other information contained in this Current Report on Form 8-K. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties, including those not currently known to the Company or that the Company currently deems to be immaterial also could materially adversely affect the Company's business, financial condition and results of operations.

We have identified material weaknesses in the internal controls of USI and Promark relating to financial reporting. If not remedied, these material weaknesses could result in material misstatements in our consolidated financial statements and periodic reports in future periods.

During the preparation of the consolidated financial statements of USI as of June 30, 2011, 2010 and 2009 and December 31, 2011 and 2010, we identified material weaknesses in internal controls over financial reporting. If not remediated satisfactorily, these material weaknesses could result in material misstatements in our financial statements and periodic reports in future periods. Specifically, we have not been required to have, and as a result did not maintain a sufficient complement of personnel with an appropriate level of accounting, taxation, and financial reporting knowledge, experience and training in the application of U.S. GAAP commensurate with our financial reporting requirements and the complexity of our operations and transactions. We also have not maintained an adequate system of processes and internal controls sufficient to support our financial reporting requirements and produce timely and accurate U.S. GAAP financial statements consistent with being a public company.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

We cannot be reasonably assured that remediation actions will be effective to correct material weaknesses. If we continue to experience material weaknesses, investors could lose confidence in our financial reporting and periodic reports, particularly if such weaknesses result in a restatement of our financial results, and our stock price could decline.

We are currently evaluating our organizational structure, our financial reporting procedures and our system of internal control over financial reporting. This evaluation consists of a review of our current organization structure; current processes and controls; identification of deficiencies; and evaluation of the deficiencies' effect on our financial statements. We are working on our remediation plan to improve the effectiveness of our internal controls over financial reporting as a public company.

Changes in the information technology industry and/or economic environment may reduce demand for the products and services we sell.

Our results of operations are influenced by a variety of factors, including the condition of the IT industry, general economic conditions, shifts in demand for, or availability of, computer products and software and IT services and industry introductions of new products, upgrades or methods of distribution. The information technology products industry is characterized by abrupt changes in technology, rapid changes in customer preferences, short product life cycles and evolving industry standards. Net sales can be dependent on demand for specific product categories, and any change in demand for or supply of such products could have a material adverse effect on our net sales, and/or cause us to record write-downs of obsolete inventory, if we fail to react in a timely manner to such changes.

We rely on our suppliers for product availability, marketing funds, purchasing incentives and competitive products to sell.

We acquire products for resale both directly from manufacturers and indirectly from distributors. The loss of a supplier could cause a disruption in the availability of products. Additionally, there is no assurance that as manufacturers continue to or increasingly sell directly to end users and through the distribution channel, that they will not limit or curtail the availability of their products to resellers like us. For example, resellers and publishers may attempt to increase the volume of software products distributed electronically through ESD (Electronic Software Distribution) technology, through subscription services, and through on-line shopping services, and correspondingly, decrease the volume of products sold through us. Our inability to obtain a sufficient quantity of products, or an allocation of products from a manufacturer in a way that favors one of our competitors, or competing distribution channels, relative to us, could cause us to be unable to fill clients' orders in a timely manner, or at all, which could have a material adverse effect on our business, results of operations and financial condition. We also rely on our suppliers to provide funds for us to market their products, including through our catalogs and on-line marketing efforts, and to provide purchasing incentives to us. If any of the suppliers that have historically provided these benefits to us decides to reduce such benefits, our expenses would increase, adversely affecting our results of operations.

The lingering effects of the recent economic downturn may reduce our revenues and profits.

The lingering ongoing effects of the general economic downturn continues to cause some of our current and potential customers to delay or reduce technology purchases, resulting in longer sales cycles, slower adoption of new technologies and increased price competition. We may, therefore, experience a greater decline in demand for the products we sell, resulting in increased competition and pressure to reduce the cost of operations. Any benefits from cost reductions may take longer to realize and may not fully mitigate the impact of the reduced demand. In addition, weak financial and credit markets heighten the risk of customer bankruptcies and create a corresponding delay in collecting receivables from those customers and may also affect our vendors' ability to supply products, which could disrupt our operations. The realization of any or all of these risks could reduce our revenues and profits and have a material adverse effect on our business, results of operations and financial condition.

The IT products and services industry is intensely competitive and actions of competitors, including manufacturers of products we sell, can negatively affect our business.

The IT products and services industry is intensely competitive and actions of competitors, including manufacturers of products we sell, can negatively affect our business. Competition has been based primarily on price, product availability, speed of delivery, credit availability and quality and breadth of product lines and, increasingly, also is based on the ability to tailor specific solutions to client needs. We compete with manufacturers, including manufacturers of products we sell, as well as a large number and wide variety of marketers and resellers of IT products and services. In addition, manufacturers are increasing the volume of software products they distribute electronically directly to end-users and in the future will likely pay lower referral fees for sales of certain software licensing agreements sold by us. Generally, pricing is very aggressive in the industry, and we expect pricing pressures to continue. There can be no assurance that we will be able to negotiate prices as favorable as those negotiated by our competitors or that we will be able to offset the effects of price reductions with an increase in the number of clients, higher net sales, cost reductions, or greater sales of services at higher gross margins or otherwise. Price reductions by our competitors that we either cannot or choose not to match could result in an erosion of our market share and/or reduced sales or, to the extent we match such reductions, could result in reduced operating margins, any of which could have a material adverse effect on our business, results of operations and financial condition.

Narrow margins in the distribution marketplace can have an adverse effect on operating results.

Like other companies in the technology distribution industry, the Company's business is characterized by narrow gross and operating margins. These narrow margins magnify the impact on the Company's operating results attributed to variations in sales and operating costs and place a premium on our ability to leverage our infrastructure. Future gross and operating margins may be adversely affected by changes in product mix, vendor pricing actions and competitive and economic pressures. In addition, failure to attract new sources of business from expansion of products or services or entry into new markets may adversely affect future gross and operating margins.

Disruptions in our information technology, voice and data networks could have a negative impact on our ability to provide competitive customer service.

We believe that our success to date has been, and future results of operations likely will be, dependent in large part upon our ability to provide prompt and efficient service to clients. Our ability to provide such services is dependent largely on the accuracy, quality and utilization of the information generated by our IT systems, which affect our ability to manage our sales, client service, distribution, inventories and accounting systems and the reliability of our voice and data networks. There can be no assurance that the Company's IT systems will not fail or experience disruptions, that the Company will be able to attract and retain qualified personnel necessary for the operation of such systems, that the Company will be able to expand and improve its information systems, that the Company will be able to convert to new systems efficiently, or that the Company will be able to integrate new programs effectively with its existing programs. Any of such problems could affect our ability to service our clients, cause us to incur additional expenses, and otherwise have an adverse effect our business.

Acquisitions and dispositions may put undue burdens on the Company to effectively manage an acquisition or divestiture.

As part of its growth and diversification strategies, the Company pursues the acquisition of companies that either complement or expand its existing business. As a result, the Company regularly evaluates potential acquisition opportunities, which may be material in size and scope. Acquisitions involve a number of risks and uncertainties, including expansion into new geographic markets and business areas, the requirement to understand local business practices, the diversion of management's attention to the assimilation of the operations and personnel of the acquired companies, the possible requirement to upgrade the acquired companies' management information systems to the Company's standards, potential adverse short-term effects on the Company's operating results and the amortization or impairment of any acquired intangible assets. The Company also regularly evaluates the divestiture of business units that may not meet the Company's strategic, financial and/or risk tolerance objectives. No assurance can be given that the Company will be able to dispose of business units on favorable terms or on particular timelines.

Exposure to natural disasters, war, and terrorism could impose product shortages, logistic problems and disrupt the flow of goods.

The Company's headquarters facilities and some of its logistics centers, as well as certain vendors and customers, are located in areas prone to natural disasters such as floods, hurricanes, tornadoes, or earthquakes. In addition, demand for the Company's services is concentrated in major metropolitan areas. Adverse weather conditions or other natural disasters, major electrical failures or other similar events may disrupt the Company's business should its ability to distribute products be impacted by such an event. As a company which operates in multiple geographic segments, the Company's business, as well as those of its vendors or customers, can also be adversely affected by acts of war and terrorism or by pandemics or other health events. Any of these events could disrupt the Company's distribution of products or significantly affect product demand or availability in ways that could materially and adversely affect the Company's results and prospects.

Dependence on independent shipping companies may cause the Company to not meet customer expectations and affect sales performance.

The Company relies on arrangements with independent shipping companies, such as FedEx and United Parcel Service, for the delivery of its products from vendors and to customers. The failure or inability of these shipping companies to deliver products, or the unavailability of their shipping services, even temporarily, could have an adverse effect on the Company's business. The Company may also be adversely affected by an increase in freight surcharges due to rising fuel costs and added security. The recent significant and ongoing political unrest in oil-producing nations has caused oil prices to rise, which in turn has affected fuel prices and can be expected to continue to do so. There can be no assurance that the Company will be able to pass along the full effect of these costs to its customers.

Impact of policy changes could affect the operating results of the Company and adversely affect our customers.

The Company may implement or modify policies designed to offset certain costs, such as our policies concerning freight and handling fees to customers. These policies are designed to help offset specific costs that have significantly increased or that can no longer be included in the overall price of the products the Company sells. Given the competitive nature of the markets in which the Company operates, these policies may result in customers seeking alternative sources for their technology products, and therefore, could have an adverse effect on the Company's business.

Product availability may be impacted by market demands and vendor productions and forecasts.

The Company is dependent upon the supply of products available from its vendors. The industry is characterized by periods of product shortages due to vendors' difficulties in projecting demand for certain products distributed by the Company. When such product shortages occur, the Company typically receives an allocation of products from the vendor. There can be no assurance that vendors will be able to maintain an adequate supply of products to fulfill all of the Company's customer orders on a timely basis. Failure to obtain adequate product supplies could have an adverse effect on the Company's business.

Vendor terms and conditions may change and have an adverse effect on the operating results of the Company.

The Company relies on various rebates, cash discounts, and cooperative marketing programs offered by its vendors to support expenses associated with distributing and marketing the vendors' products. Currently, the rebates and purchase discounts offered by vendors are influenced by sales volumes and are subject to changes. Terminations of a supply or services agreement or a significant change in vendor terms or conditions of sale could negatively affect our operating margins, revenue or the level of capital required to fund our operations.

The Company receives a significant percentage of revenues from products it purchases from relatively few vendors. A vendor may make rapid, significant and adverse changes in its sales terms and conditions, such as reducing the amount of price protection and return rights as well as reducing the level of purchase discounts and rebates they make available to us, or may merge with or acquire other significant vendors. The Company's gross margins could be negatively impacted if the Company is unable to pass through the impact of these changes to the Company's customers or cannot develop systems to manage ongoing vendor programs. In addition, the Company's standard vendor distribution agreement permits termination without cause by either party upon 30 days notice. The loss of a relationship with any of the Company's key vendors, a change in their strategy (such as increasing direct sales), the merging of significant vendors, or significant changes in terms on their products may adversely affect the Company's business

Loss of significant customers is a possibility due to the highly competitive nature of the IT market place.

Customers do not have an obligation to make purchases from the Company. In some cases, the Company has made adjustments to its systems, vendor offerings, and processes, and made staffing decisions, in order to accommodate the needs of an important and / or significant customer. In the event a significant customer decides to make its purchases from another distributor, experiences a significant change in demand from its own customer base, becomes financially unstable, or is acquired by another company, the Company's revenues may be negatively impacted, resulting in an adverse effect on the Company's business.

Government contracts maybe delayed or not renewed and may adversely affect the Company's operating results.

The Company holds a general services contract (GSA) which has a five year term. The Company uses this contract vehicle to attract potential vendors and customers by giving them an avenue to reach federal, state and local customers. The Company cannot guaranty that this contract will be renewed or that with potential changes in government policies and legislation that the contract may become ineffective. Loss of the contract could have a substantial impact on the financial condition of the Company.

Customer credit exposure could adversely affect the Company's financial results and affects it trade credit line.

The Company sells its products to a large customer base of value-added resellers, direct marketers, retailers and corporate resellers. The Company finances a significant portion of such sales through trade credit. As a result, the Company's business could be adversely affected in the event of a deterioration of the financial condition of its customers, resulting in the customers' inability to repay the Company. This risk may increase during a general economic downturn affecting a large number of the Company's customers and in the event the Company's customers do not adequately manage their business or properly disclose their financial condition.

Need for liquidity and capital resources along with fluctuations in interest rates may affect our ability to stay competitive and provide the needed environment for our customers.

The Company's business requires capital to operate and to finance accounts receivable and product inventory that are not financed by trade creditors. The Company has historically relied upon cash generated from operations, bank credit lines, and trade credit from vendors to satisfy its capital needs and finance growth. The Company utilizes various financing instruments such as receivables securitization, revolving credit facilities and trade receivable purchase facilities. As the financial markets change and new regulations come into effect, the cost of acquiring financing and the methods of financing may change. Changes in our credit rating or other market factors may increase our interest expense or other costs of capital or capital may not be available to us on acceptable terms to fund our working capital needs. The inability to obtain such sources of capital could have an adverse effect on the Company's business. The Company's credit facilities contain various financial and other covenants that may limit the Company's ability to borrow or limit the Company's flexibility in responding to business conditions. These financing instruments involve variable rate debt, thus exposing the Company to risk of fluctuations in interest rates. Such fluctuations in interest rates could have an adverse effect on the Company's business.

Changes in income tax and other regulatory legislation could adversely affect the Company's structure and operations along with additional costs and resources to comply.

The Company operates in compliance with applicable laws and regulations. When new legislation is enacted with minimal advance notice, or when new interpretations or applications of existing laws are made, the Company may need to implement changes in its policies or structure. The Company makes plans for its structure and operations based upon existing laws and anticipated future changes in the law. The Company is susceptible to unanticipated changes in legislation, especially relating to income and other taxes, import/export laws, and other laws related to trade and business activities. Such changes in legislation may have a significant adverse effect on the Company's business.

Potential adverse effects of litigation could affect the Company's ability to operate in the normal course of business.

The Company cannot predict what losses we might incur in litigation matters and contingencies that we may be involved with from time to time. While there are currently no pending claims, lawsuits or other actions against us, we are subject to various litigation matters from time to time in the ordinary course of our business It is our opinion that the ultimate resolution of any such matters will not have a material adverse effect on our consolidated financial position. However, the resolution of these matters could be material to our operating results for any particular period, depending on the level of income for such period. We can make no assurances that we will ultimately be successful in our defense of any of these matters.

Changes in accounting rules or interpretations may affect the Company's reported results.

The Company prepares its financial statements in conformity with accounting principles generally accepted in the United States. These accounting principles are subject to interpretation by the Financial Accounting Standards Board, the Public Company Accounting Oversight Board, the Securities and Exchange Commission, the American Institute of Certified Public Accountants and various other bodies formed to interpret and create appropriate accounting policies. A change in these policies or a new interpretation of an existing policy could have a significant effect on our reported results and may affect our reporting of transactions before a change is adopted.

We depend on certain key personnel to operate the Company effectively and maintain our level of customer service.

Our future success will be largely dependent on the efforts of key management personnel. We also believe that our future success will be largely dependent on our continued ability to attract and retain highly qualified management, sales, service and technical personnel. We cannot assure you that we will be able to attract and retain such personnel. Further, we make a significant investment in the training of our sales account executives. Our inability to retain such personnel or to train them either rapidly enough to meet our expanding needs or in an effective manner for quickly changing market conditions could cause a decrease in the overall quality and efficiency of our sales staff, which could have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Our Common Stock.

The exercise of outstanding options or any other issuance of shares by us may dilute your ownership of our Common Stock. Our common stock does not trade, nor is it admitted to quotation, on any stock exchange or other trading facility. Management has no present plan, proposal, arrangement or understanding with any person with regard to the development of a trading market in any of our securities. Any decision to initiate public trading of our common stock will be in the discretion of management. We cannot assure you that a trading market for our common stock will ever develop. We have not registered our class of common stock for resale under the blue sky laws of any state. The holders of shares of common stock, and persons who may desire to purchase shares of our common stock in any trading market that might develop in the future, should be aware that, in addition to transfer restrictions imposed by federal securities laws, significant state blue sky law restrictions may exist which could limit the ability of stockholders to sell their shares and limit potential purchasers from acquiring our common stock.

Cautionary Language Regarding Forward-looking Statements

This report includes "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act. Statements in this report regarding future events or conditions, including but not limited to statements regarding industry prospects and the Company's expected financial position, business and financing plans, are forward-looking statements.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We strongly urge current and prospective investors to carefully consider the cautionary statements and risks contained in this report, particularly the risks described under the "Risk Factors" section above. Such risks include, but are not limited to, the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, contribution of key vendor relationships and support programs, as well as factors that affect the information technology industry generally.

The Company operates in a rapidly changing business, and new risk factors emerge from time to time. Management cannot predict every risk factor, nor can it assess the impact, if any, of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements.

Accordingly, forward-looking statements should not be relied upon as a prediction of actual results and readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The statements concerning future sales, future gross profit margin and future selling and administrative expenses are forward looking statements involving certain risks and uncertainties such as availability of products, product mix, pricing pressures, market conditions and other factors, which could result in a fluctuation of sales below recent experience.

Stock Volatility. The technology sector of the United States stock markets has experienced substantial volatility in recent periods. Numerous conditions which impact the technology sector or the stock market in general or the Company in particular, whether or not such events relate to or reflect upon the Company's operating performance, could adversely affect the market price of the Company's Common Stock. Furthermore, fluctuations in the Company's operating results, announcements regarding litigation, the loss of a significant vendor, increased competition, reduced vendor incentives and trade credit, higher postage and operating expenses, and other developments, could have a significant impact on the market price of the Company's Common Stock.

Item 2. Financial Information

Selected Financial Data

The following tables set forth, for the periods indicated, selected consolidated financial and other data for USI and Promark. This information should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations (the "**MD&A**") and our consolidated financial statements and notes thereto appearing elsewhere herein.

	For the years ended June 30,				
	2011	**2010**	**2009**	**2008**	**2007**
Consolidated Statement of Operations Data:					
Net sales	$ 92,613,839	$ 84,077,583	$ 104,803,724	$ 94,022,667	$ 59,096,556
Cost of sales	85,535,438	77,775,430	96,323,219	85,524,168	52,408,948
Gross profit	7,078,401	6,302,153	8,480,505	8,498,499	6,687,608
Selling, general and administrative expenses	6,757,170	6,261,321	6,976,253	6,773,356	4,935,303
Depreciation and amortization	165,690	66,373	56,738	76,144	69,694
Total Operating Expenses	6,922,860	6,327,694	7,032,991	6,849,500	5,004,997
Income (loss) from operations	155,541	(25,541)	1,447,514	1,648,999	1,682,611
Interest Expense, Net	97,644	135,792	71,285	264,076	349,180
Income (loss) before income taxes	57,897	(161,333)	1,376,229	1,384,923	1,333,431
Income tax provision	12,462	(65,335)	544,256	639,400	539,564
Net income (loss)	$ 45,435	$ (95,998)	$ 831,973	$ 745,523	$ 793,867
Net income (loss) per common share:					

Earnings (loss) per share – basic – continuing operations	$ 0.01	$ (0.01)	$ 0.13	$ 0.10	$ 0.10
Earnings (loss) per share – diluted – continuing operations	$ 0.00	$ (0.01)	$ 0.10	$ 0.07	$ 0.07
Earnings (loss) per share – discontinued operations – net of tax	$ -	-	$ 0.02	$ 0.04	$ 0.06
Earnings (loss) per share – discontinued operations – net of tax	$ -	-	$ 0.01	$ 0.03	$ 0.04
Earnings (loss) per share - basic	$ 0.01	$ (0.01)	$ 0.15	$ 0.14	$ 0.15
Earnings (loss) per share - diluted	$ 0.00	$ (0.01)	$ 0.12	$ .010	$ 0.12
Weighted average common shares outstanding:					
Basic	7,458,341	7,921,456	5,937,917	5,233,895	5,233,895
Diluted	9,259,634	7,921,456	11,391,541	7,556,093	6,804,071

	June 30,				
	2011	2010	2009	2008	2007
Balance Sheet Data:					
Cash and cash equivalents	$ 377,212	$ 891,729	$ 1,597,288	$ 430,227	$ 939,716
Accounts Receivable	14,461,926	13,137,096	12,765,290	15,575,601	11,240,726
Working capital	660,516	785,971	1,142,404	40,190	(1,086,937)
Total assets	19,201,393	18,279,624	18,316,615	19,699,334	16,332,351
Total stockholders' equity	2,990,254	2,995,439	3,091,437	2,166,021	1,178,276

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto. This discussion and analysis contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain risks and uncertainties, including those set forth under the heading "Risk Factors" and elsewhere in this report.

This report contains forward-looking statements, as described in the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. We strongly urge current and prospective investors to carefully consider the cautionary statements and risks contained in this report, particularly the risks described under "Risk Factors" above. Such risks include, but are not limited to, the continued acceptance of the Company's distribution channel by vendors and customers, the timely availability and acceptance of new products, contribution of key vendor relationships and support programs, as well as factors that affect the software industry generally.

The Company operates in a rapidly changing business, and new risk factors emerge from time to time. Management cannot predict every risk factor, nor can it assess the impact, if any, of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements.

Accordingly, forward-looking statements should not be relied upon as a prediction of actual results and readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Promark is the only operating company under USI and Sand Hills. Its primary business is in the distribution of software, hardware, and professional services for the information technology marketplace. Promark purchases products direct from leading information technology manufacturers and software publishers. Promark sells to value added resellers, dealers, corporate resellers and systems integrators.

We offer a wide variety of technical and general business application software from a broad range of publishers and manufacturers. We market these products through utilizing an inside and outside sales force along with, advertisements in trade magazines, as well as through the Internet and e-mail promotions.

USI reported net revenue of $92.6 million for the year ended June 30, 2011 as compared to net revenue of $84.0 million in 2010, a 10.2% increase. Gross profit increased by $0.78 million, or 12.3%, in year ended 2011 as compared to 2010. The increase in both net revenue and gross profit was primarily due to the USI's continued concentration of bringing on new product lines and maximizing the sales of our existing product lines.

Net operating expense increased by 9.4% in year ended June 30, 2011 as compared to 2010. This was due to an increase in employee costs, mainly commissions, which coincide with the increase in revenue. USI also increased its sales staff to facilitate the continued growth in existing territories and also the expansion into new territories. Depreciation and amortization expenses increased by 150.0% in 2011 over 2010 due to the amortization of a non-compete contract with an employee purchased in June 2010.

The Company continues to focus its attention on sustained growth in the data storage sector and the Company anticipates continued growth in this sector. Results of operations often fluctuate on a quarterly basis as a result of a number of factors, including but not limited to: the condition of the global economy; shifts in demand for storage products; pricing; and consolidations within the storage industry. The Company's operating expenditures are based on sales forecasts. If revenues do not meet expectations in any given quarter, operating results may be materially adversely affected.

Sand Hills was not an operating company prior to the Reverse Merger. As a result, we anticipate that the Company's revenues going forward will reflect the former USI business and no revenues from Sand Hills will be lost as a result of the Reverse Merger.

Results of Operations

The following table sets forth for the years indicated the percentage of net sales represented by selected items reflected in USI's Consolidated Statements of Earnings. The year-to-year comparison of financial results is not necessarily indicative of future results:

	Years ended June 30,				
	2011	2010	2009	2008	2007
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	92.4	92.5	91.9	91.0	88.7
Gross profit	7.6	7.5	8.1	9.0	11.3
Selling, general and administrative expenses	7.5	7.4	6.7	7.3	8.5
Income from operations	0.2	0.0	1.4	1.7	2.8
Interest Expense, net	0.1	0.2	0.1	0.3	0.6
Income (loss) before income taxes	0.1	-0.2	1.3	1.5	2.2
Income tax provision	0.0	-0.1	0.5	0.7	0.9
Net income (loss)	0.0%	-0.1%	0.8%	0.8%	1.3%

Year Ended June 30, 2011 Compared to Year Ended June 30, 2010

	For the years ended June 30,		
	2011	2010	% change
Consolidated Statement of Operations Data:			
Net sales	$ 92,613,839	$ 84,077,583	10.2%
Cost of sales	85,535,438	77,775,430	10.0%
Gross profit	7,078,401	6,302,153	12.3%
Selling, general and administrative expenses	6,757,170	6,261,322	6.3%
Depreciation and amortization	165,690	66,373	149.6%
Total Operating Expenses	6,922,860	6,327,695	9.4%
Income (loss) from operations	155,541	(25,542)	709.0%
Interest Expense, Net	97,644	135,792	(28.1%)
Income (loss) before income taxes	57,897	(161,334)	73.6%
Income tax provision	12,462	(65,335)	84.0%
Net income (loss)	$ 45,435	$ (95,999)	67.9%

Net Sales

Net sales for 2011 increased 10.2%, or $8.5 million to $92.6 million compared to $84.0 million in 2010. The increase in net sales was mainly a result of our continued focus on the expansion of our reseller base as well as the addition of several key product lines.

Gross Profit

Gross Profit for 2011 was $7.1 million compared to $6.3 million in 2010, a 12.3% increase. Gross profit margin as a percentage of net sales, for 2011 was 7.64% compared to 7.50% in 2010.

The increase in gross profit dollars and gross profit margin was primarily due to the continued diversification of our customer and product mix and winning several larger bids at higher margins.

Selling, General and Administrative Expenses

Total selling, general and administrative ("**SG&A**") expenses for 2011 were $6.8 million compared to $6.3 million in 2010. As a percentage of net sales, SG&A expenses for both fiscal years ended 2011 and 2010 were 7.5%.

The dollar increase was primarily due to the following when comparing fiscal years ended 2011 to 2010:

Employee and employee related costs including salaries, commissions, bonus accruals and benefits increased by 10% or $0.47 million in 2011 as compared to 2010. This was primarily due to the increase in commissions due to the increase in revenue and the addition of several members of the sales staff.

Travel and entertainment increased 21% in 2011 as compared to 2010. This was primarily due to the increase in travel by our sales persons in an effort to increase our reseller base.

Rent expense increased by 9.9% in fiscal year ended 2011 over 2010, due to the normal annual escalator on our lease plus a higher amount of common area maintenance charges.

Data processing expense increased by 24% in fiscal year ended 2011 over 2010, due to the Company's efforts to upgrade systems to make customer reporting more efficient.

For fiscal year ended 2011 corporate insurance decreased by 15% from 2010. The decrease was attributable to lower premiums paid following the company's renegotiation of its insurance policy with a new carrier.

For fiscal year ended 2011, bad debt expense decreased by 85% over 2010 primarily due to the Company having fewer write-offs in 2011 and the fact that the Company increased allowance for doubtful accounts in 2010 and did not increase the allowance for 2011.

Depreciation and amortization expenses increased by 150% for fiscal year ended 2011 as compared to fiscal year ended 2010. This increase was related to the amortization of intangible assets acquired in June 2010.

For fiscal year ended 2011, professional fees increased by 159% as compared to 2010 primarily due to management's decision to have the Company's records digitalized to make accessibility more efficient for the Company.

Year Ended June 30, 2010 Compared to Year Ended June 30, 2009

	For the year ended June 30,		
	2010	2009	% change
Consolidated Statement of Operations Data:			
Net sales	$ 84,077,583	$ 104,803,724	(20.8%)
Cost of sales	77,775,430	96,323,219	(19.3%)
Gross profit	6,302,153	8,480,505	(25.7%)
Selling, general and administrative expenses	6,261,322	6,976,253	(10.2%)
Depreciation and amortization	66,373	56,738	17.0%
Total Operating Expenses	6,327,695	7,032,991	(10.0%)
Income from operations	(25,542)	1,447,514	(101.8%)
Interest Expense, Net	135,792	71,285	90.5%
Income before income taxes	(161,334)	1,376,229	(111.7%)
Income tax provision	(65,335)	544,256	(112.0%)
Net income (loss)	$ (95,999)	$ 831,973	(111.5%)

Net Sales

Net sales for fiscal year ended 2010 decreased 20%, or $20.7 million to $84 million compared to $104.8 million in 2009. The decrease in net sales was mainly due to the loss of two major manufacturer lines. The lines were Lefthand Networks, Inc., which was purchased by Hewlett-Packard Company, and Data Domain Corporation, which was purchased by EMC Corporation. Combined, the two lines amounted to $25.6 million of the net sales in fiscal year 2010, approximately 30.4% of the total net sales. The two lines totaled $60.4 million or 57.6% of the total net sales in fiscal year ended 2009.

Gross Profit

Gross Profit for 2010 was $6.3 million compared to $8.5 million in 2009, a 25.7% decrease. Gross profit margin as a percentage of net sales, for 2010 was 7.5% compared to 8.1% in 2009.

The decrease in gross profit margin was due to the loss of the Lefthand Network, Inc. product line as well as the aggressive approach to promote sales growth with other product lines, in part, by our offering more aggressive pricing, especially on several larger bids.

Selling, General and Administrative Expenses

Total SG&A expenses for 2010 were $6.3 million compared to $7.0 million in 2009. As a percentage of net sales, SG&A expenses for 2010 and 2009 were 7.5% and 6.7%, respectively.

This dollar decrease was primarily due to the following when comparing 2010 to 2009:

Employee and employee related costs including salaries, commissions, bonus accruals and benefits decreased by 13% or $0.692 million in 2010 as compared to 2009. This was primarily due to the decrease in commissions and bonuses due to the decrease in revenue.

Utilities expense decreased 23% in 2010 as compared to 2009. This was attributable to cost cutting measures by management.

Occupancy expense decreased by 10.4% in fiscal year ended 2010 over 2009, this was primarily due to lower common area maintenance charges with our landlord.

Telephone expense decreased 10% in 2010 as compared to 2009. This was attributable to cost cutting measures by management.

For fiscal year ended 2010 corporate insurance decreased by 15% from 2009. The decrease was attributable to lower premiums paid due to fewer products being shipped which translated into lower shipping insurance costs.

Depreciation and amortization expenses increased by 17% for fiscal year ended 2010 as compared to fiscal year ended 2009. This increase was related to the higher depreciation being recognized due to additional computer equipment being purchased throughout the year.

Income Taxes

For the year ended June 30, 2010, the Company had an income tax benefit of approximately $65,000 due to the loss sustained by the Company.

As of June 30, 2010, the Company had a deferred tax asset of approximately $138,000.

Six months ended December 31, 2011 Compared to Six months Ended December 31, 2010

	For the Six Months ended December 31		
	2011	**2010**	**% change**
Consolidated Statement of Operations Data:			
Net sales	$ 51,028,724	$ 50,514,254	1.0%
Cost of sales	47,402,282	46,787,680	1.3%
Gross profit	3,626,442	3,726,574	(2.7%)
Selling, general and administrative expenses	3,492,305	3,382,273	3.3%
Depreciation and amortization	83,577	82,988	0.1%
Total Operating Expenses	3,575,882	3,382,273	5.7%
Income from operations	50,560	344,301	(85.3%)
Interest Expense, Net	71,823	34,400	108.8%
Income (loss) before income taxes	(21,263)	309,901	(106.9%)
Income tax provision	-	115,000	(100%)
Net income (loss)	$ (21,263)	$ 194,901	(111.0%)

Net Sales

Net sales for the six months ended December 31, 2011 increased 1%, or $0.51 million to $51.0 million compared to $50.5 million in 2010. The increase in net sales was mainly a result of our continued focus on the expansion of our reseller base.

Gross Profit

Gross Profit for the six months ended December 31, 2011 was $3.6 million compared to $3.7 million for the six months ended December 31, 2010, a 2.7% decrease. Gross profit margin as a percentage of net sales, for 2011 was 7.1% compared to 7.4% in 2010.

The decrease in gross profit dollars and gross profit margin was primarily due to competitive pricing within the market with some orders being taken with very aggressive pricing to secure the deal.

Selling, General and Administrative Expenses

Total SG&A expenses for the six months ended December 31, 2011 were $3.6 million compared to $3.4 million in 2010. As a percentage of net sales, SG&A expenses for the six months ended December 31, 2011 and 2010 were 7.0% and 6.7%, respectively.

This dollar increase was primarily due to the following when comparing the six months ended December 31, 2011 to 2010:

Employee and employee related costs including salaries, commissions, bonus accruals and benefits decreased by 5.6% or $0.151 million in 2011 as compared to 2010. This was primarily due to the Company's decision not to match employee 401k contributions beginning January 1, 2011.

Travel and entertainment expense increased 10% in 2011 as compared to 2010. This was attributable to sales and management travel to increase our reseller customer base.

Data processing expense decreased by 17% in the six months ended December 31, 2011 over 2010, this was primarily due to lower data processing consulting costs related to having our systems upgraded to be more efficient and user friendly to our customers.

Telephone expense increased 14% for the six month period ending December 31, 2011 as compared to 2010. This was attributable to a higher volume of calls being made to increase our reseller base of customers.

For the six months ended December 31, 2011 corporate insurance increased by 35% from 2010. The increase was primarily attributable to adding additional insurance to cover our professional services division and also an increase in premiums from the insurance carrier.

Professional fee expenses decreased by 33% for the six months ended December 31, 2011 as compared to 2010. This decrease was related to lower legal expenses for the time period.

Stock-based compensation expense increased by $0.25 million for the six months ended December 31, 2011. There was no stock-based compensation in the six months ended December 31, 2010.

Off-Balance Sheet Arrangements

As of December 31, 2011, USI did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity or capital expenditures or capital resources that would be material to investors.

CONTRACTUAL OBLIGATIONS

The Company has a contractual lease obligation for the office space it uses as its headquarters. The lease agreement expires August 2016. The table that follows shows the lease amounts due until the expiration of the lease:

	Payments due by period				
Contractual obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Lease	386,267	83,865	174,072	128,330	-

Liquidity and Capital Resources

Our discussion of liquidity and capital resources includes an analysis of our cash flows and capital structure for all periods presented. The following table summarizes United Strategies, Inc.'s Consolidated Statement of Cash Flows for the fiscal years ended June 30, 2011, 2010 and 2009 and the six months ended December 31, 2011 and 2010:

	Years ended June 30,			Six months ended December 31,	
	2011	2010	2009	2011	2010
Net cash provided by (used in):					
Operating activities	$ (1,719,320)	$ 570,333	$ (1,427,975)	$ (1,220,941)	$ (3,828,702)
Investing activities	(26,161)	5,100	515,704	(75,406)	1,997
Financing activities	1,230,964	(1,280,992)	2,079,332	1,026,606	3,235,299
Net increase in cash and cash equivalents	$ (514,517)	$ (705,559)	$ 1,167,061	$ (269,741)	$ (591,406)

As a distribution company, our business requires significant investment in working capital, particularly accounts receivable and inventory, which is partially financed through our accounts payable with vendors. Overall, as our sales volume increases, our net investment in working capital dollars typically increases, which, in general, results in decreased cash flow from operating activities. Conversely, when sales volume decreases, our net investment in working capital typically decreases, which, in general, results in increased cash flow from operating activities.

Net cash used by operating activities in fiscal year 2011 was $1.7 million. This was mainly due to a $1.4 million increase in accounts receivable, a $0.1 million increase in inventory and decreases of $0.24 million and $0.16 million in accounts payable and accrued expenses, respectively.

Net cash provided by operating activities in fiscal year 2010 amounted to $0.57 million. This was due to a $1.4 million increase in accounts payable and a $0.23 million decrease in inventory. These were offset in part by an increase in accounts receivable of $79,000 and prepaid expenses of $0.18 million, a decrease of $0.25 million in accrued expenses and $0.11 million in income taxes payable.

Net cash used in operating activities for the six months ended December 31, 2011 was $1.2 million. This was mainly due to a $3.5 million decrease in accounts payable, a $0.80 million increase in inventory, and increases in prepaid expenses and share-based compensation of $17,000 and $0.25 million, respectively. These were offset in part by a $1.9 million decrease in accounts receivable, a $79,000 increase in accrued expenses.

In fiscal year 2011, net cash used in investing activities was $26,000. This resulted from the purchase of fixed assets of $33,000 and was partially offset by a repayment of a note receivable from a shareholder of $7,000.

Net cash provided in investing activities in fiscal year 2010 was $5,000. This resulted from the purchase of fixed assets of $75,000 and the repayment of a note receivable from a shareholder of $80,000.

Net cash used in investing activities for the six months ended December 31, 2011 was $75,000. This resulted from the purchase of fixed assets to be used in making the business run more efficiently.

In fiscal year 2011, net cash provided by financing activities was $1.2 million. This resulted from an increase of $1.3 million in our revolving line of credit and was partially offset by $0.97 million used to repurchase common stock from a shareholder.

Net cash used in financing activities in fiscal year 2010 was $.1.3 million. This resulted from a decrease in our revolving line of credit of $1.0 million and the asset purchase of our professional services division from Niksar Data Services in the amount of $0.275 million.

Net cash provided by financing activities for the six months ended December 31, 2011 was $1.0 million. This resulted solely from a decrease in our revolving line of credit.

Critical Accounting Policies and Estimates

The information included within this management's discussion and analysis is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. On an on-going basis, we evaluate these estimates, including those related to bad debts, inventory, vendor incentives, goodwill and intangible assets, deferred taxes, and contingencies. Our estimates and judgments are based on currently available information, historical results, and other assumptions we believe are reasonable. Actual results could differ materially from these estimates. We believe the critical accounting policies discussed below affect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

The Company distributes imaging systems and related equipment, and assembles and sells computer systems and peripheral equipment. Revenue from the sale of such products is recognized when the Company ships the product to customers and title has passed. Promark also receives commissions from providing sales-agent services to third parties. Such commissions are recognized as revenue when the commissions are received.

Accounts Receivable

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. In estimating the required allowance, we take into consideration the overall quality and aging of the receivable portfolio, the existence of credit insurance and specifically identified customer risks. Also influencing our estimates are the following: (1) the large number of customers and their dispersion across wide geographic areas; (2) the fact that only one customer, CDW Corporation, accounts for more than 5% of our net sales; (3) the value and adequacy of collateral received from customers, if any; (4) our historical loss experience and (5) the current economic environment. If actual customer performance were to deteriorate to an extent not expected by us, additional allowances may be required which could have an adverse effect on our consolidated financial results. Conversely, if actual customer performance were to improve to an extent not expected by us, a reduction in allowances may be required which could have a favorable effect on our consolidated financial results.

Inventory

We value our inventory at the lower of its cost or market value, with cost being determined on the first-in, first-out method. We write down our inventory for estimated obsolescence equal to the difference between the cost of inventory and the estimated market value based upon an aging analysis of the inventory on hand, specifically known inventory-related risks (such as technological obsolescence and the nature of vendor terms surrounding price protection and product returns), foreign currency fluctuations for foreign-sourced product, and assumptions about future demand. Market conditions or changes in terms and conditions by our vendors

that are less favorable than those projected by management may require additional inventory write-downs, which could have an adverse effect on our consolidated financial results.

Vendor Incentives

We receive incentives from vendors related to cooperative advertising allowances, infrastructure funding, volume rebates and other incentive agreements. These incentives are generally under quarterly, semi-annual or annual agreements with the vendors; however, some of these incentives are negotiated on an ad-hoc basis to support specific programs mutually developed with the vendor. Unrestricted volume rebates and early payment discounts received from vendors are recorded when they are earned as a reduction of inventory and as a reduction of cost of products sold as the related inventory is sold. Vendor incentives for specifically identified cooperative advertising programs and infrastructure funding are recorded when earned as adjustments to product costs or selling, general and administrative expenses, depending on the nature of the programs.

Goodwill, Intangible Assets and Other Long-Lived Assets

The carrying value of goodwill is reviewed at least annually for impairment and may also be reviewed more frequently if current events and circumstances indicate a possible impairment. An impairment loss, if any, is charged to expense in the period identified. The Company performed its annual goodwill impairment test as of June 30, 2011 and determined there was no impairment. We also examine the carrying value of our intangible assets with finite lives, which include purchased intangibles, as current events and circumstances warrant determining whether there are any impairment losses. If indicators of impairment are present and future cash flows are not expected to be sufficient to recover the assets' carrying amount, an impairment loss is charged to expense in the period identified. Factors that may cause a goodwill or intangible asset impairment include negative industry or economic trends and significant underperformance relative to historical or projected future operating results. Our valuation methodologies include, but are not limited to, a discounted cash flow model, which estimates the net present value of the projected cash flows of our reporting units and a market approach, which evaluates comparative market multiples applied to our reporting unit's businesses to yield a second assumed value of each reporting unit. If actual results are substantially lower than our projections underlying these assumptions, or if market discount rates substantially increase, our future valuations could be adversely affected, potentially resulting in future impairment charges.

Income Taxes

We record valuation allowances to reduce our deferred tax assets to the amount expected to be realized. In assessing the adequacy of a recorded valuation allowance, we consider all positive and negative evidence and a variety of factors including the scheduled reversal of deferred tax liabilities, historical and projected future taxable income, and prudent and feasible tax planning strategies. If we determine we would be able to use a deferred tax asset in the future in excess of its net carrying value, an adjustment to the deferred tax asset valuation allowance would be made to reduce income tax expense, thereby increasing net income in the period such determination was made. Should we determine that we are unable to realize all or part of our net deferred tax assets in the future, an adjustment to the deferred tax asset valuation allowance would be made to income tax expense, thereby reducing net income in the period such determination was made.

Contingencies

We accrue for contingent obligations, including estimated legal costs, when the obligation is probable and the amount is reasonably estimable. As facts concerning contingencies become known, we reassess our position and make appropriate adjustments to the financial statements. Estimates that are particularly sensitive to future changes include those related to tax, legal, and other regulatory matters such as imports and exports, the imposition of international governmental controls, changes in the interpretation and enforcement of international laws (in particular related to items such as duty and taxation), and the impact of local economic conditions and practices, which are all subject to change as events evolve and as additional information becomes available during the administrative and litigation process.

Stock-based Compensation

Under the fair value recognition provision, stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which is the vesting period. We make certain assumptions in order to value and expense our various share-based payment awards. In connection with valuing stock options, we use the Black-Scholes model, which requires us to estimate certain subjective assumptions. The key assumptions we make are: the expected volatility of our stock; and the expected term of the award. We review our valuation assumptions periodically and, as a result, we may change our valuation assumptions used to value stock based awards granted in future periods. Such changes may lead to a significant change in the expense we recognize in connection with share-based payments.

Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact the financial position, results of operations or cash flows of the Company due to adverse changes in financial and commodity market prices and rates. The Company is exposed to market risk in the areas of changes in United States interest rates. These exposures are directly related to its normal operating and funding activities.

Interest Rate Risk.

The Company's financial instrument with risk exposure is the Company's revolving line of credit. Interest on the line of credit is set at the bank's prime rate in effect from time to time plus 0.5%. The Company's objective in maintaining access to these variable rate borrowings is the flexibility obtained regarding early repayment without penalties and lower overall costs as compared with fixed rate borrowings. A one percentage point change in average interest rates would not have materially impacted financing expense in fiscal year 2011. This analysis does not consider the effect of the level of overall economic activity that could exist in connection with a one percentage point change to the average interest rates.

Under the Company's current policies, it does not use interest rate derivatives instruments to manage its exposure to interest rate changes.

Item 3. Properties

The Company leases 9,000 square feet of space in Annapolis Junction, Maryland for its corporate headquarters and warehouse under a lease expiring in August 2016. Total annual rent expense for these premises is approximately $83,349. We believe that our current property is in good operating condition and is adequate for the operation of the Company's business as currently conducted.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth information regarding the beneficial ownership of our common stock following the Reverse Merger by each person (or group of affiliated persons) who is known by us to beneficially own 5% or more of our common stock; our directors; our named executive officers; and our directors and executive officers as a group.

Each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned and each person's address is c/o our principal office address at 10900 Pump House Rd. Annapolis Junction, Maryland 20701.

The applicable percentage of ownership is based on 23,414,263 shares outstanding as of March 30, 2012, immediately following the Reverse Merger, and all shares of our common stock issuable in the event of exercise of outstanding options, warrants, rights or conversion privileges which are exercisable within 60 days of such date.

Name of Owner	Common Stock Beneficial Ownership	Percent of Outstanding Common Stock
Dale R. Foster (1)	13,641,931	53.36%
Stephen T. Hartung (2)	6,376,055	25.43%
William J. Ochall (3)	5,615,879	22.55%
Ken Breidenbach (4)	2,357,136	9.36%
Sarah M. Grimm (5)	2,725,439	10.43%
Amy E. Yost (6)	1,767,852	7.02%
Charles E. Bass (7)	1,178,568	4.792%
All officers and directors as a group (5 persons)	20,812,433	106.129%

(1) Dale R. Foster owns 11,491,044 shares of our outstanding stock, none of which shares are subject to a security interest. He owns 2,150,887 fully-vested options.

(2) Stephen T. Hartung owns 4,714,274 shares of our outstanding stock, none of which shares are subject to a security interest. He owns 1,661,781 fully-vested options.

(3) William Ochall owns 4,124,990 shares of our outstanding stock, none of which shares are e subject to a security interest. He owns 1,490,889 fully-vested options.

(4) Ken Breidenbach owns 591,903 shares of our outstanding stock, none of which shares are subject to a security interest. He owns 1,765,233 fully-vested options.

(5) Sarah M. Grimm owns 2,725,439 fully-vested options.

(6) Amy E. Yost owns 1,767,852 fully-vested options.

(7) Charles E. Bass owns 1,178,568 fully-vested options.

Item 5. Directors and Executive Officers.

Set forth below are the name, age, present title, principal occupation and certain biographical information for our directors and executive officers that were appointed in connection with the Reverse Merger effective March 30, 2012. All of the executive officers have been appointed by and serve at the discretion of our Board of Directors.

Name	Age	Position
Dale R. Foster	48	Chairman, President and Chief Executive Officer
William J. Ochall	48	Chief Financial Officer and Director
Stephen T. Hartung	45	Vice President and Director of Promark
Charles E. Bass	47	Vice President – Alliances and Director of Promark
Paul Giovacchini	54	Director

Dale R. Foster. Mr. Foster joined Promark in 1988 and has served as President since 1997 and Chairman of the Board of Directors of USI since 2004. Mr. Foster held various sales and product management positions leading up to 1997 and is responsible for the strategic direction of Promark and USI along with overseeing Promark's national sales force. Mr. Foster is a 1987 Graduate of The Rochester Institute of Technology where he earned a Bachelor's of Technology in Electrical Engineering. He also holds an Associate's degree in Engineering from Alfred State University 1984. The Board of Directors believes that Mr. Foster 's qualifications to serve on

the Board of Directors include his experience as the CEO of Promark, his knowledge of the industry and key contacts within the industry. Mr. Foster does not currently serve on the board of any other public companies.

William Ochall. Mr. Ochall joined Promark in 1999 as its Controller and has served as CFO and a member of the Board of Directors of USI since 2004. Mr. Ochall manages and oversees all accounting, vendor, and banking relationships for Promark and USI. Mr. Ochall is a 1985 Graduate of Penn State University where he earned a Bachelor's of Science in Accounting. He has been a Certified Public Account since 1987. The Board of Directors believes that Mr. Ochall's qualifications to serve as a member of the Board of Directors include his 13 years of service with Promark, and his previous leadership positions in accounting and finance. Mr. Ochall does not currently serve on the board of any other public companies.

Stephen T. Hartung. Mr. Hartung joined Promark in 1999 and has served as Vice President and a member of the Board of Directors of USI since 2004. Mr. Hartung is responsible for all marketing activity along with overseeing Promark's various contracts and its GSA schedule 70 offerings. Mr. Hartung is a 1989 Graduate of Old Dominion University where he earned a Bachelor's of Science in Business Administration. The Board of Directors believes that Mr. Hartung's qualifications to serve as a member of the Board of Directors include his 12 years of service with Promark and his previous leadership positions in operations, sales and finance. Mr. Hartung does not currently serve on the board of any other public companies.

Charles E. Bass. Mr. Bass joined Promark in 2009 and serves as the corporate liaison to onboard new vendors along with strengthening Promark's existing relationships. Mr. Bass is formally of Hewlett Packard where he managed all US channel operations for the StorageWorks Division. Prior to working at HP, Mr. Bass was the Director of Channel Sales for Lefthand Networks (2007) until they were acquired by HP in 2009. Mr. Bass is a 1987 Graduate of Vanderbilt University where he earned a BA in Economics. He also holds an MBA in Marketing from the University of Tennessee 1990. The Board of Directors believes that Mr. Bass' qualifications to serve as a member of the Board of Directors include his three years of service with Promark and his previous leadership positions in sales and his knowledge of the industry and key contacts within the industry. Mr. Bass does not currently serve on the board of any other public companies.

Paul Giovacchini. Mr. Giovacchini has been a Principal of Landmark Partners, a private equity and real estate investment firm, since February 2005. Mr. Giovacchini served as a consultant to private equity fund managers and private companies from 2003 to February 2005. From 1994 through 2002, Mr. Giovacchini was a Partner with Seacoast Capital Partners, a private equity investment firm. Mr. Giovacchini previously served as a director of USI from June 1998 through December 2004, and was Chairman of USI from August 2001 through December 2004. Mr. Giovacchini holds a B.A. in Economics from Stanford University and an M.B.A. from Harvard Business School. The Board of Directors believes that Mr. Giovacchini is qualified to serve on the Board of Directors as he provides valuable insight to the Board of Directors from a managerial and entrepreneurial perspective, which he gained during his extensive experience in the investment industry. Mr. Giovacchini does not currently serve on the board of any other public companies.

Board Composition and Terms of Office

The composition of our Board of Directors, and any future audit committee, compensation committee, and nominations and governance committee, will be subject to the corporate governance provisions of our primary trading market, including rules relating to the independence of directors. All directors hold office until the next annual meeting of stockholders and the election and qualification of their successors. Officers are elected annually by the Board of Directors and serve at the discretion of the Board of Directors.

Board Committees

We have not previously had an audit committee, compensation committee or nominations and governance committee. We do not believe that the establishment of an audit committee, a compensation committee, or a nominations and governance committee is necessary at this time in order to comply with established corporate governance requirements. We will establish one or more of these committees in the future if the Board of Directors determines it is necessary to maintain compliance with established corporate governance requirements.

Nominations to the Board of Directors

Our directors take a critical role in guiding our strategic direction and oversee the management of our company. Board candidates are considered based upon various criteria, such as their business and professional skills and experiences, concern for the long-term interests of the stockholders, and personal integrity and judgment.

In addition, directors must have time available to devote to Board activities and to enhance their knowledge in the growing business. Accordingly, we seek to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities.

The Board of Directors does not have a policy regarding consideration of director candidates nominated by stockholders. Given the limited number of stockholders and substantial ownership of the Company by the directors, the Board of Directors believes such policy is unnecessary.

Indebtedness of Directors and Executive Officers

We have no indebtedness to any director, executive officer, affiliate or stockholder, and no director, executive officer, affiliate or stockholder has any indebtedness to us.

Family Relationships

There are no family relationships among our directors and executive officers and any former directors or executive officers.

Legal Proceedings

As of the date of this Current Report on Form 8-K, there are no material proceedings pending or threatened to which any of our directors, executive officers, affiliates or stockholders is or would be a party adverse to us.

Item 6. Executive Compensation

Compensation Discussion and Analysis

Overview

The Company's primary objective is to maximize stockholder value. As a result, the Board of Directors which currently acts as the compensation committee of the Company, strives to ensure that the Company's executive compensation will enable the Company to attract, retain and motivate key people required to execute the Company's business strategy and lead the Company to achieve its long-term growth and earnings goals. The members of the Board of Directors are Mr. Dale Foster (Chairman), Mr. William Ochall, Mr. Todd Hartung, Mr. Charles Bass and Mr. Paul Giovacchini. The compensation for the Chief Executive Officer for fiscal year 2011 was determined by the Board of Directors in its discretion. The Chief Executive Officer determined the salary, bonus, non-equity compensation and stock awards of the other named executive officers for fiscal year 2011 in his sole discretion. The Board of Directors believes that the total compensation of each named executive officer should reflect their leadership abilities, their initiative, the scope of their responsibilities, the success of the Company and the past and expected future contribution of each executive. The Board of Directors seeks to foster a performance-oriented environment by tying a significant portion of each executive's cash and equity compensation to the financial performance of the Company.

In recent years, the Company's executive compensation program has had the following elements: base salary, bonus, stock-based incentives, and for Mr. Hartung, commission based compensation. The Board of Directors does not have a stated plan or program for determining executive compensation to meet the above stated goals. Instead, the Board of Directors and the Chief Executive Officer exercise their discretion in determining the appropriate mix and level of compensation for each named executive officer. In fiscal 2011, the named executive officers did not have employment agreements and the compensation was set by the Board of Directors and the Chief Executive Officer in their discretion in an effort to retain and attract talented employees and to encourage the long-term goals of the company.

The factors considered by the Board of Directors and the Chief Executive Officer in determining the compensation of the named executive officers, in addition to the criteria referenced above, include the Company's operating and financial performance, as

well as the individual executive's leadership and establishment and implementation of the strategic direction for the Company. The Board of Directors considers as part of its subjective evaluation, among other factors, each executive's reputation and contacts in the business community, experience and knowledge of the Company's markets.

Committee Factors and Decisions

The Board of Directors looks at total executive compensation annually to determine whether the goals of the Company are being serviced. The Board of Directors determines whether executive compensation should be increased or decreased using current market conditions, company performance, present and past, along with input from the Company executives. The Board of Directors also weighs the potential tax implications to the Company for all executive compensation. These factors are not weighed pursuant to a stated formula or plan, but are taken into consideration as determined to be appropriate in the circumstances by the Board of Directors and the Chief Executive Officer.

Base Salary and Bonus Plan

Total cash compensation for 2011 was divided into a base salary portion and a bonus. Many factors were considered in determining the base salaries for executive officers, including the value that each individual brings to the Company through experience, education and training, comparable positions and comparable responsibilities at similar organizations, the specific needs of the Company, and the individual's past and expected future contributions to the Company's success. The Board of Directors and the Chief Executive Officer focus on setting an adequate base salary that, when combined with the bonus, will attract and retain its executives and act as a barrier for a competitor to easily draw these key employees away from the Company. While the Board of Directors and the Chief Executive Officer may consider pay of similar executives at other companies, they do not benchmark salary or bonus against any other companies.

Commission Compensation

Mr. Hartung's responsibilities as Vice President include managing two of the Company's divisions: marketing and government contracting. In this capacity in 2011, he was responsible for managing vendor relationships and establishing marketing development funds that resulted in revenue to Promark. As a result, a portion of Mr. Hartung's compensation was commission payments resulting from such revenues to Promark. This is intended to incentive Mr. Hartung to maximize Company revenue through vendor marketing funds.

Equity Incentive Compensation

The Company's executive officers have been eligible to receive option awards under the United Strategies, Inc. 2001 Stock Option Plan. The primary goal of the Company is to create long-term value for stockholders, and accordingly, the Board of Directors believes that stock option awards provide an additional incentive to executive officers to work towards maximizing stockholder value. The Board of Directors views stock option awards as one of the most important components of the Company's long-term, performance-based compensation philosophy. The Board of Directors believes that the grant of option awards to executive officers encourages equity ownership in the Company, and closely aligns executive officers' interests to the interests of the stockholders.

Stock option awards are provided through initial grants at or near the date of hire and through subsequent periodic grants. Stock option awards granted by USI to its executive officers and other employees have exercise prices at or above the fair market value of the stock on the date of the grant or award. Stock option awards vest and become exercisable at such time as determined by the Board of Directors. The initial grant is designed for the level of skills required to fulfill the executive's responsibilities and is designed to motivate the executive officer to make decisions and implement strategies and programs that will contribute to an increase in the Company's stock price over time. Periodic additional stock option awards within the comparable range for the job are granted to reflect the executive's ongoing contributions to the Company, to create an incentive to remain at the Company and to provide a long-term incentive to achieve or exceed the Company's financial goals.

The following tables set forth the compensation earned by the Chief Executive Officer ("**CEO**") the Chief Financial Officer ("**CFO**") and our two other executive officers for the year ended June 30, 2011.

Summary Compensation Table for Fiscal Year Ending June 30, 2011

Name and principal position	Year	Salary ($)	Bonus ($)(1)	Non-equity incentive compensation ($)(2)	All other compensation ($)(3)	Total ($)
Dale R. Foster Chairman, President and CEO	2011	240,000	80,000	-	11,107	331,107
William Ochall Chief Financial Officer	2011	162,000	60,000	-	13,836	235,836
Stephen T. Hartung Vice President	2011	122,000	60,000	141,061	11,987	335,048
Charles Bass Vice President Alliances	2011	280,000	-	-	-	280,000

(1) The Company paid discretionary bonuses to executive employees based upon the Board of Directors' and CEO's review of the annual performance of the Company.

(2) Mr. Hartung's incentive compensation is paid pursuant to a commission plan paid quarterly. The amount paid is 10% of marketing rebates from vendors received by the Company.

(3)

All Other Compensation

	Cost of Company Car ($)	Total ($)
Dale R. Foster	11,107 (a)	11,107
William Ochall	13,836 (a)	13,836
Stephen T. Hartung	11,987 (a)	11,987
Charles Bass	-	-

(a) The amounts included in this table reflect the Company's expenses for automobiles and insurance on such automobiles used by Messrs. Foster, Ochall and Hartung.

Grants of Plan Based Awards for Fiscal Year Ending June 30, 2011

Mr. Hartung was paid incentive compensation pursuant to a commission plan paid quarterly. The grant date for such award is the beginning of each fiscal year of employment, resulting in the grant date for fiscal year 2011, being July 1, 2010. The amount paid is determined as 10% of marketing rebates from vendors received by the Company. There were no other grants of plan based awards in fiscal year ending June 30, 2011 to the named executive officers.

Outstanding Equity Awards for Fiscal Year Ending June 30, 2011

Name	Option awards		
	Number of securities underlying unexercised options (#) exercisable	**Option exercise price ($)**	**Option expiration date**
Dale R. Foster	100,000 (1)	$0.04	6/1/2019
William Ochall	100,000 (1)	$0.04	6/1/2019
Stephen T. Hartung	100,000 (1)	$0.04	6/1/2019
Charles Bass	150,000 (1)	$0.04	11/16/2019

(1) The option awards to Messrs. Foster, Ochall and Hartung were made June 1, 2009. Mr. Bass's options were awarded November 16, 2009. All options were awarded pursuant to the United Strategies, Inc. 2001Stock Option Plan.

On October 21, 2011, USI granted each named executive officer the following options pursuant to the United Strategies, Inc. 2001 Stock Option Plan: Dale R. Foster 630,000 options, William Ochall 406,000 options; Stephen T. Hartung 464,000 options; and Charles Bass 250,000 options. All granted options vested immediately. The exercise price for each option was determined based on the grant date value of USI's outstanding common stock determined to be $0.12 based upon USI's internal valuation as of September 30, 2011. The options expire on October 20, 2021.

Employment Agreements

Employment Agreements

Sand Hills has entered into new employment agreements with Dale R. Foster and William J. Ochall, and Promark has entered into new employment agreements with Charles E. Bass and Stephen T. Hartung.

Sand Hills entered into an employment agreement, effective March 30, 2012, with Mr. Foster, pursuant to which Mr. Foster will serve as our President and Chief Executive Officer. The initial term of the agreement shall end on March 31, 2015, with automatic one year renewals thereafter. Mr. Foster's employment agreement provides for an initial base salary of $250,000, subject to annual adjustment by the Board of Directors or the compensation committee of the Board of Directors (the "**Foster Base Salary**"). Mr. Foster is also eligible for a quarterly performance bonus of up to $10,000, pursuant to the Company's management incentive bonus program, policy or practice of the Board or its compensation committee, in effect from time to time. The amount of such bonus will be determined by the Board or its compensation committee and on an annual basis will not exceed 25% of the then-current Foster Base Salary except pursuant to a specific finding by the Board or its compensation committee that a higher percentage is appropriate.

Sand Hills also entered into an employment agreement, effective March 30, 2012, with Mr. Ochall, pursuant to which Mr. Ochall will serve as our Chief Financial Officer. Subject to earlier termination pursuant to the terms of the agreement, the initial term of the agreement shall end on March 29, 2015, with automatic one year renewals thereafter, unless either party provides notice of nonrenewal. Mr. Ochall's employment agreement provides for an initial base salary of $150,000, subject to annual adjustment by the Board of Directors or the compensation committee of the Board of Directors (the "**Ochall Base Salary**"). Mr. Ochall is also eligible for a quarterly performance bonus of up to $5,000, pursuant to the Company's management incentive bonus program, policy or practice of the Board or its compensation committee, in effect from time to time. The amount of such bonus will be determined by the Board or its compensation committee and on an annual basis will not exceed 25% of the then-current Ochall Base Salary except pursuant to a specific finding by the Board or its compensation committee a higher percentage is appropriate.

Under each agreement, the Company agreed to grant each of Mr. Foster and Mr. Ochall, at the time of its usual annual grant to employees, annual stock options to purchase shares of the Company's common stock as the Board or its compensation committee shall determine.

Pursuant to the terms of each agreement, the Company is obligated to grant each of Mr. Foster and Mr. Ochall incentive stock options under Section 422 of the Internal Revenue Code. The Company will grant Mr. Foster incentive stock options to purchase 450,000 shares of the Company's common stock and Mr. Ochall incentive stock options to purchase 300,000 shares of the Company's common stock. These incentive stock options will vest in three equal installments on the first, second and third anniversaries of the date of the grant. If the agreement is terminated by the Company prior to the first anniversary of the grant date other than for "Cause" (as defined in the agreement) or on account of death or disability, then the first installment will vest on the termination date. Once vested, these options will be exercisable for a period of five years, measured from the grant date, at a price per share equal to 110% of fair market value on the grant date.

Each of the employment agreements provide that the executive will accept election and serve as a director on the Board, if elected, and that the Company will include the executive in the management slate for election as a director at every stockholders' meeting at which his term as a director would otherwise expire. Following termination or expiration of the employment agreement, the executive will tender his resignation to the Board at the request of the Board.

In the event, (A) that the Company terminates the agreement other than for "Cause" (as defined in the agreement) or (B) the executive terminates the agreement upon the occurrence of: (i) a material adverse change in his duties or authority; (ii) a situation in which he is no longer at least one of the President or the Chief Executive Officer of the Company in the case of Mr. Foster or the Chief Financial Officer in the case of Mr. Ochall; (iii) a bankruptcy or other similar action by or against the Company; or (iv) another material breach of the agreement by the Company (each, a "**Triggering Event**"), the executive will be entitled to receive a severance payment. The severance payment will be equal to the executive's base annual salary at the time of termination (the "**Reference Amount**") in the case of Mr. Ochall, and two times the Reference Amount in the case of Mr. Foster. In each case the severance will be payable for one year in accordance with the Company's normal payroll practices and the executive may exercise any vested options within 180 days of the executive's termination date, after which time any unexercised options shall be forfeited. Additionally, the executive will receive a pro rata performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the executive by three hundred sixty-five (365)) (the "**Pro Rata Bonus**").

In the event of termination of employment upon a Triggering Event within two years following a "change in control" (as described below), or, if within such two-year period (i) there is a material adverse change in his compensation or benefits, or (ii) any successor to the Company does not assume the Company's obligation under the agreement, and the executive terminates his employment, the executive is entitled to a lump sum severance payment equal to the Reference Amount, in the case of Mr. Ochall, and two times the Reference Amount in the case of Mr. Foster, as well as the Pro Rata Bonus. Additionally, any unvested options granted to the executive and covered by the employment agreement shall immediately vest and become and remain fully exercisable through their original terms and otherwise in accordance with their respective original terms. The agreements also provide that such severance and Pro Rata Bonus is payable following a change in control if the executive elects to terminate his employment for any reason or no reason commencing with the sixth and ending with the twelfth month following the change in control. Under the agreement, a "change in control" is deemed to occur: (i) if any person becomes the direct or indirect beneficial owner of more than 50% of the combined voting power of the Company's then-outstanding securities; (ii) if there is a change in a majority of the directors in office during any 24 month period; (iii) if the Company engages in a recapitalization, reorganization, merger, consolidation or other similar transaction after which the holders of the Company's voting securities before the transaction do not continue to hold at least 50% of the voting securities of the Company or its successor after the transaction; or (iv) upon the complete liquidation or dissolution of the Company, or the sale or other disposition of all or substantially all of its assets after which the holders of the Company's voting securities before such sale or disposition do not continue to hold at least 50% of the voting securities of the Company or its successor after such sale or disposition.

Promark entered into a new employment agreement, effective March 30, 2012, with Mr. Bass, pursuant to which Mr. Bass will serve as Promark's Vice President – Alliances. Subject to earlier termination pursuant to the terms of the agreement, the initial term of the agreement shall end on March 29, 2015, with automatic one year renewals thereafter, unless either party provides notice of nonrenewal. Mr. Bass's employment agreement provides for an initial base salary of $225,000, subject to annual adjustment by the Board of Directors of Promark (the "**Promark Board**") or the compensation committee of the Promark Board (the "**Bass Base Salary**"). Mr. Bass is also eligible for a quarterly performance bonus of up to $13,750, pursuant to Promark's management incentive bonus program, policy or practice of the Promark Board or its compensation committee, in effect from time to time.

Promark also entered into a new employment agreement, effective March 30, 2012, with Mr. Hartung, pursuant to which Mr. Hartung will serve as Promark's Vice President. Subject to earlier termination pursuant to the terms of the agreement, the initial term of the agreement shall end on March 31, 2015, with automatic one year renewals thereafter, unless either party provides notice of nonrenewal. Mr. Hartung's employment agreement provides for an initial base salary of $150,000, subject to annual adjustment by the Promark Board or the compensation committee of the Promark Board (the "**Hartung Base Salary**"). Mr. Hartung is also eligible for a quarterly performance bonus of up to $7,000, pursuant to Promark's management incentive bonus program, policy or practice of the Promark Board or its compensation committee, in effect from time to time.

The amount of quarterly bonus for each of Mr. Bass and Mr. Hartung will be determined by the Promark Board or its compensation committee in its sole and absolute discretion and on an annual basis will not exceed 25% of the then-current Base Salary except pursuant to a specific finding by the Promark Board or its compensation committee that a higher percentage is appropriate.

The agreements further provide that Sand Hills will grant each of Mr. Bass and Mr. Hartung, at the time of its usual annual grant to employees, annual stock options to purchase shares of the Company's common stock as the Board or its compensation committee shall determine.

Pursuant to the terms of each agreement, Sand Hills will grant each of Mr. Bass and Mr. Hartung incentive stock options under Section 422 of the Internal Revenue Code to purchase 300,000 shares of Sand Hills common stock which will vest in three equal installments on the first, second and third anniversaries of the effective date of grant. If the agreement is terminated by Promark prior to the first anniversary of the grant date other than for "Cause" (as defined in the agreement) or on account of death or disability, then the first installment will vest on the termination date of the agreement. Once vested, these options will be exercisable for a period of five years, measured from the date of grant, at a price per share equal to 110% of fair market value on the grant date.

In the event, (A) that Promark terminates the agreement other than for "Cause" (as defined in the agreement) or (B) the executive terminates the agreement upon the occurrence of: (i) a material adverse change in his duties or authority; (ii) a situation in which he is no longer a Vice President of Promark; (iii) a bankruptcy or other similar action by or against Promark; or (iv) another material breach of the agreement by Promark (each, a "**Promark Triggering Event**"), the executive will be entitled to receive a severance payment equal to the Reference Amount, payable for one year in accordance with Promark's normal payroll practices and may exercise any vested options within 180 days of his termination date, after which time any unexercised options shall be forfeited. Additionally, the executive will receive the Pro Rata Bonus.

In the event of termination of employment upon a Promark Triggering Event within two years following a "change in control" (as described below), or, if within such two-year period (i) there is a material adverse change in his compensation or benefits, or (ii) any successor to Promark does not assume Promark's obligation under the agreement, and the executive terminates his employment, the executive is entitled to a lump sum severance payment equal to the Promark Reference Amount and the Pro Rata Bonus, and any unvested options granted to the executive and covered by the employment agreement shall immediately vest and become and remain fully exercisable through their original terms and otherwise in accordance with their respective original terms. The agreement also provides that such severance and Pro Rata Bonus is payable following a change in control if the executive elects to terminate his employment for any reason or no reason commencing with the sixth and ending with the twelfth month following the change in control. Under the agreement, a "change in control" is deemed to occur: (i) if any person becomes the direct or indirect beneficial owner of more than 50% of the combined voting power of Promark's then-outstanding securities; (ii) if there is a change in a majority of the directors in office during any 24 month period; (iii) if Promark engages in a recapitalization, reorganization, merger, consolidation or other similar transaction after which the holders of Promark's voting securities before the transaction do not continue to hold at least 50% of the voting securities of Promark or its successor after the transaction; or (iv) upon the complete liquidation or dissolution of Promark, or the sale or other disposition of all or substantially all of its assets after which the holders of Promark's voting securities before such sale or disposition do not continue to hold at least 50% of the voting securities of Promark or its successor after such sale or disposition.

Option Exercises and Stock Vesting for Fiscal Year Ending June 30, 2011

There were no option exercises or stock vesting events in fiscal year ending June 30, 2011.

Termination or Change of Control Payments

As of June 30, 2011, there were no contracts, agreements, plans or arrangements with any named executive officer providing for payments following, or in connection with, any termination or a change of control of USI or a change in responsibilities of the named executive officer.

Compensation of Directors

The Company's policy in 2011 was to pay no compensation to directors.

Item 7. Certain Relationships and Related Transactions, and Director Independence.

Transactions with Related Persons

Dale Foster, William J. Ochall and Stephen T. Hartung each have a 20% ownership interests in Core Investment Group, LLC ("**Core Investment Group**") and its subsidiaries. Grindstone Technology, LLC ("**Grindstone**"), a subsidiary of Core Investment Group, is an information technology reseller that purchases products from Promark and resells products to end users. Grindstone is not provided any terms more favorable than any other general reseller of products through Promark. Grindstone has engaged in business with Promark since 2009 with purchases totaling $571,401, $259,790, $127,467 and $148,220 for fiscal years 2011, 2010, 2009 and the fiscal year to date 2012, respectively. Another Core Investment Group subsidiary, Quality First Imaging, Inc., has been providing document imaging scanning services and consulting as a vendor of both USI and Promark and has received payments from USI and Promark totaling $223,407 and $29,051 for fiscal year 2011 and fiscal year to date 2012, respectively.

Director Independence

During the fiscal year ending June 30, 2011, USI had one independent director, Anthony Matthews, on our Board of Directors. Effective March 30, 2012, Paul Giovacchini will be the sole independent director of the Company. We evaluate independence by the standards for director independence established by applicable laws, rules, and listing standards including, without limitation, the standards for independent directors established by the NASDAQ stock market.

Subject to some exceptions, these standards generally provide that a director will not be independent if:

- the director is, or in the past three years has been, an employee of ours;
- a member of the director's immediate family is, or in the past three years has been, an executive officer of ours;
- the director or a member of the director's immediate family has received more than $120,000 per year in direct compensation from us other than for service as a director (or for a family member, as a non-executive employee);
- the director or a member of the director's immediate family is a current partner of our independent public accountants or in the past three years has worked for such firm in any capacity on our audit.
- the director or a member of the director's immediate family is, or in the past three years has been, employed as an executive officer of a company where one of our executive officers serves on the compensation committee; or
- the director or a member of the director's immediate family is an partner in, or controlling shareholder or an executive officer of, a company that makes payments to, or receives payments from, us in an amount which, in any twelve-month period during the past three years, exceeds the greater of $200,000 or five percent of that other company's consolidated gross revenues.

Item 8. Legal Proceedings

There are no material legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is the subject.

Item 9. Market Price of and Dividends on Common Equity and Related Stockholder Matters

Trading Information

Our common stock does not trade, nor is it admitted to quotation, on any stock exchange or other trading facility. Management has no present plan, proposal, arrangement or understanding with any person with regard to the development of a trading market in any of our securities. Any decision to initiate public trading of our common stock will be in the discretion of management. We cannot assure you that a trading market for our common stock will ever develop. We have not registered our class of common stock for resale under the blue sky laws of any state. The holders of shares of common stock, and persons who may desire to purchase shares of our common stock in any trading market that might develop in the future, should be aware that, in addition to transfer restrictions imposed by federal securities laws, significant state blue sky law restrictions may exist which could limit the ability of stockholders to sell their shares and limit potential purchasers from acquiring our common stock.

Transfer Agent

We currently have no third party transfer agent and registrar for our common stock.

Holders of Record

As of March 30, 2012, there were seven holders of record of our common stock.

Dividends

We have not paid any dividends on our common stock, and we do not expect to pay any dividends on our common stock in the foreseeable future.

Item 10. Recent Sales of Unregistered Securities

On March 30, 2012, at the closing of the Reverse Merger, we issued an aggregate of 21,414,263 shares of our common stock to the former stockholders of USI. The issuance of the shares of our common stock issued to former holders of USI's common stock was exempt from registration under Section 4(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), as a sale by an issuer not involving a public offering and under Regulation D promulgated pursuant to the Securities Act. The issuance of these shares of common stock was not registered under the Securities Act, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration afforded by Section 4(2) of, and Regulation D (Rule 506) under, the Securities Act and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving any public offering. Such securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements and certificates evidencing such shares contain or, upon issuance will contain, a legend stating the same.

Item 11. Description of Registrants Securities to be Registered

The following description of our common stock and our preferred stock is a summary. You should refer to our Articles of Incorporation and our By-laws for the actual terms of our capital stock. These documents are filed as Exhibits 3.1 and 3.2, respectively, to our Registration Statement on Form 10 filed with the SEC on July 24, 2009.

Authorized Capital Stock

We are authorized to issue up to 100,000,000 shares of common stock and 10,000,000 shares of blank check preferred stock, each with a par value of $0.0001 per share. As of the date of this Registration Statement, there are 23,414263 shares of common stock and no shares of preferred stock issued and outstanding. Our common stock is held of record by seven registered stockholders.

Common Stock

The holders of our common stock are entitled to one vote per share on all matters to be voted on by the stockholders. All shares of common stock are entitled to participate in any distributions or dividends that may be declared by the Board of Directors, subject to any preferential dividend rights of outstanding shares of preferred stock. Subject to prior rights of creditors, all shares of common stock are entitled, in the event of our liquidation, dissolution or winding up, to participate ratably in the distribution of all our remaining

assets, after distribution in full of preferential amounts, if any, to be distributed to holders of preferred stock. There are no sinking fund provisions applicable to the common stock. Our common stock has no preemptive or conversion rights or other subscription rights.

Preferred Stock

Our Board of Directors has the authority, without further action by our stockholders, to designate and issue up to 10,000,000 shares of preferred stock in one or more series and to fix the designation, powers, preferences and rights of each series and the qualifications, limitations or restrictions thereof. These rights may include a preferential return in the event of our liquidation, the right to receive dividends if declared by the Board of Directors, special dividend rates, conversion rights, redemption rights, superior voting rights to the common stock, the right to protection from dilutive issuances of securities or the right to approve corporate actions. Any or all of these rights may be superior to the rights of the common stock. As a result, preferred stock could be issued with terms that could delay or prevent a change in control or make removal of our management more difficult. Additionally, our issuance of preferred stock may decrease the market price of our common stock in any market that may develop for such securities.

The Board of Directors has the authority to issue the authorized but unissued shares of our capital stock without action by the stockholders. The issuance of any such shares would reduce the percentage ownership held by existing stockholders and may dilute the book value of their shares.

There are no provisions in our Articles of Incorporation or By-laws which would delay, defer or prevent a change in control of the Company.

Item 12. Indemnification of Directors and Officers

Articles of Incorporation

The Company's Articles of Incorporation provide that the liability of the directors and officers of the Company will be eliminated or limited to the fullest extent permitted by the Nevada Revised Statutes, as may be amended and supplemented from time to time (the "**NRS**").

The Company's Articles of Incorporation further provide that every person who was or is a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she, or a person with whom he or she is a legal representative, is or was a director of the Company, or who is serving at the request of the Company as a director or officer of another corporation, or is a representative in a partnership, joint venture, trust or other enterprise, will be indemnified and held harmless to the fullest extent legally permissible under the laws of the State of Nevada from time to time against all expenses, liability and loss (including attorney's fees, judgments, fines, and amounts paid or to be paid in settlement) reasonably incurred or suffered by him or her in connection therewith. This right of indemnification will be a contract right which may be enforced in any manner desired by such person. The expenses of officers and directors incurred in defending a civil suit or proceeding must be paid by the Company as incurred and in advance of the final disposition of the action, suit, or proceeding, under receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the Company. This right of indemnification will not be exclusive of any other right the directors, officers of representatives have or may have in the future, and they will be entitled to their respective rights of indemnification under the By-laws, vote of stockholders, provision of law, or otherwise, as well as their rights under the Articles of Incorporation.

Nevada Law

Indemnification

Pursuant to NRS 78.7502 (Discretionary and mandatory indemnification of officers, directors, employees and agents: General provisions), a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding if the person: (a) is not liable pursuant to NRS 79.138 (breach of good faith); or (b) acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person is liable pursuant to NRS 79.138 or did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, or that, with respect to any criminal action or proceeding, he or she had reasonable cause to believe that the conduct was unlawful.

A corporation may also indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by the person in connection with the defense or settlement of the action or suit if the person: (a) is not liable pursuant to NRS 79.138; or (b) acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to above, or in defense of any claim, issue or matter therein, the corporation must indemnify him or her against expenses, including attorneys' fees, actually and reasonably incurred by him or her in connection with the defense.

Insurance

Pursuant to NRS 78.752 (Insurance and other financial arrangements against liability of directors, officers, employees and agents), a corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise for any liability asserted against the person and liability and expenses incurred by the person in his or her capacity as a director, officer, employee or agent, or arising out of his or her status as such, whether or not the corporation has the authority to indemnify such a person against such liability and expenses. No such financial arrangement may provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for intentional misconduct, fraud or a knowing violation of law, except with respect to the advancement of expenses or indemnification ordered by a court.

Bylaws

The Company's By-laws provide that no director will be liable to the Company or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except with respect to: (a) a breach of the director's duty of loyalty to the Company or its stockholders; (b) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (c) liability which may be specifically defined by law; or (d) a transaction from which the director derived an improper personal benefit. The intention of the foregoing sentence is to eliminate the liability of the Company's directors to the Company or its stockholders to the

fullest extent permitted by law. The Company will indemnify to the fullest extent permitted by law each person that such law grants the Company the power to indemnify.

The SEC's Position on Indemnification for Securities Act Liabilities

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers or controlling persons, the Company has been advised that in the opinion of the Commission this indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Item 13. Financial Statements and Supplementary Data

The financial statements of USI for the 12 months ended June 30, 2011, 2010 and 2009 and for the six months ended December 31, 2011 and 2010 (unaudited) are incorporated herein by reference to Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

On March 30, 2012, we dismissed Silberstein Ungar, PLLC ("**Silberstein**") as our independent registered public accounting firm.

The reports of Silberstein on our financial statements for the fiscal years ended March 31, 2011 and 2010 did not contain an adverse opinion or disclaimer of opinion and were not modified as to uncertainty, audit scope, or accounting principles, except the report did contain an explanatory paragraph related to our ability to continue as a going concern. During our fiscal years ended March 31, 2011 and 2010, and the subsequent interim periods through the date of this report, there were (i) no disagreements with Silberstein on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Silberstein would have caused Silberstein to make reference to the subject matter of the disagreements in connection with its report, and (ii) no "reportable events" as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

We provided Silberstein with a copy of the aforementioned disclosures and requested that Silberstein furnish a letter addressed to the SEC stating whether or not it agreed with the statements above and, if not, stating the respects in which it does not agree. A copy of the letter furnished by Silberstein is filed as an exhibit to this report.

On March 30, 2012, we engaged Stegman & Company ("**Stegman**") as our new independent registered public accounting firm. Stegman is also USI's independent public accounting firm. The appointment of Stegman was approved by our Board of Directors.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth above in Items 1.01 and 2.01 of this report are incorporated herein by reference in its entirety.

Item 4.01. Changes in Registrant's Certifying Accountant.

The information set forth above in Item 2.01 of this report is incorporated herein by reference in its entirety.

Item 5.01. Changes in Control of Registrant.

The information set forth above in Items 1.01 and 2.01 of this report is incorporated herein by reference in its entirety.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information set forth above in Items 1.01 and 2.01 of this report is incorporated herein by reference in its entirety.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

The information set forth above in Items 1.01 and 2.01 of this report is incorporated herein by reference in its entirety.

Effective March 30, 2012, the Company changed its fiscal year end to June 30th as a result of the Reverse Merger to conform its fiscal year to that of USI. As a result of the change, the results of Company's fiscal quarter ended March 31, 2012 will be reported on the Company's Quarterly Report on Form 10-Q for the new fiscal third quarter ending March 31, 2012 and in the Company's Annual report on Form 10-K for fiscal year ending June 30, 2012.

Item 5.06. Change in Shell Company Status.

As disclosed in more detail in Items 1.01 and 2.01 and 5.01 of this report, on March 30, 2012, the Company acquired USI in the Reverse Merger. Although the Company was a shell company, as defined in Rule 12b-2 of the Exchange Act, prior to the Reverse Merger, the Company believes that the completion of the Reverse Merger had the effect of causing the Company to cease being a shell company.

See Items 1.01, 2.01 and 5.01 of this report which are incorporated by reference.

Item 9.01. Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired.*

The financial statements of USI for the 12 months ended June 30, 2011, 2010 and 2009 and for the six months ended December 31, 2011 and 2010 (unaudited) are incorporated herein by reference to Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

(d) *Exhibits.*

See the Exhibit Index attached hereto which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SAND HILLS, INC.

Date: April 3, 2012

By: /s/ Dale R. Foster
Dale R. Foster, President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated March 16, 2012, by and among United Strategies, Inc., Promark Technology, Inc., Sand Hills, Inc., and Promark Acquisition Corporation (1)
3.1	Articles of Incorporation (2)
3.2	Bylaws (2)
10.1	2012 Omnibus Stock Plan
10.2	Employment Agreement, dated March 30, 2012, between the Company and Dale R. Foster (1)
10.3	Employment Agreement, dated March 30, 2012, between the Company and William J. Ochall (1)
10.4	Employment Agreement, dated March 30, 2012, between Promark and Charles E. Bass (1)
10.5	Employment Agreement, dated March 30, 2012, between Promark and Stephen T. Hartung (1)
10.6	Lease, dated March 20, 2006, between Promark and Creative Developments, LLC (1)
21.1	Subsidiaries of the Company (1)
23.1	Letter from Silberstein Ungar PLLC (1)
99.1	Financial statements of United Strategies, Inc. and Promark as of and for the 12 months ended June 30, 2011, 2010 and 2009 (1)
99.2	Financial statements of United Strategies, Inc. and Promark as of and for the six months ended December 31, 2011 and 2010 (unaudited) (1)

(1) Filed herewith.

(2) Incorporated by reference to the Exhibits of the same number to the Company's Registration Statement on Form 10 filed on July 24, 2009.

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

UNITED STRATEGIES, INC.,

PROMARK TECHNOLOGY, INC.,

SAND HILLS, INC.,

AND

PROMARK ACQUISITION CORPORATION

Dated as of March 16, 2012

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") is entered into as of March 16, 2012 ("**Agreement Date**") by and among: **UNITED STRATEGIES, INC.**, a Delaware corporation ("**United**"); **PROMARK TECHNOLOGY, INC.**, a Maryland corporation and wholly-owned subsidiary of United ("**Promark**"); **SAND HILLS, INC.**, a Nevada corporation ("**Parent**"); and **PROMARK ACQUISITION CORPORATION**, a Delaware corporation and wholly-owned subsidiary of Parent ("**Merger Sub**").

RECITALS

A. The Boards of Directors of United, Parent and Merger Sub believe it is advisable and in the best interests of their respective companies and the stockholders of their respective companies that United and Merger Sub combine into a single company through the merger of Merger Sub and United. In furtherance thereof, the Parties agreed upon a plan for Parent to acquire United through the merger of Merger Sub with and into United, with United to survive as a subsidiary of Parent (the "**Merger**").

B. The Merger was unanimously approved by unanimous written consent of the Board of Directors of Parent, by unanimous written consent of the Board of Directors of Merger Sub, by unanimous written consent of the Board of Directors of United, and by unanimous written consent of the Board of Directors of Promark.

C. It is intended that the Merger shall comply with the requirements of the DGCL (as defined below) as a statutory merger.

D. It is intended that the acquisition of United by Parent pursuant hereto shall qualify as a reverse subsidiary merger under the provisions of Section 368(a)(2)(E) of the Code (as defined below).

NOW, THEREFORE, in consideration of the premises, and the mutual covenants and agreements contained herein, the parties do hereby agree as follows:

ARTICLE I. DEFINITIONS

(a) "**Affiliate**" shall mean, as to any Person, any other Person controlled by, under the control of, or under common control with, such Person. As used in this definition, "control" shall mean possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise), provided that, in any event, any Person which owns or holds directly or indirectly five per cent (5%) or more of the voting securities or five per cent (5%) or more of the partnership or other equity interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such other Person.

(b) "**Aggregate Common Shares**" shall mean the total number of shares of United Common Stock issued and outstanding as of the Agreement Date.

(c) "**Agreement**" means this Agreement and Plan of Merger.

(d) "**Applicable Law**" or "**Applicable Laws**" means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, licenses, certificates, franchises, permits, principles of common law, requirements and Orders adopted, enacted, implemented, promulgated, issued, entered or deemed applicable by or under the authority of any Governmental Body having jurisdiction over a specified Person or any of such Person's properties or assets.

(e) "**Assumed Option**" has the meaning set forth in Section 3.2.

(f) "**Best Efforts**" means the efforts that a prudent Person desirous of achieving a result would use in similar circumstances to achieve that result as expeditiously as possible; *provided, however,* that a Person required to use Best Efforts under this Agreement will not be thereby required to take actions that would result in a Material Adverse Effect in the benefits to such Person under this Agreement and the Merger.

(g) "**Breach**" means any breach of, or any inaccuracy in, any representation or warranty or any breach of, or failure to perform or comply with, any covenant or obligation, in or of this Agreement or any other Contract.

(h) "**Business**" means United's business, carried out through its wholly-owned subsidiary, Promark. Promark is a value added distributor of data storage products and solutions in the United States. Promark uses a two-tier distribution network; selling to value added resellers (VARs) and system integrators. Promark supports its distribution channel by offering sales and technical training, trade show and seminar support, leads, and demo equipment. Promark also supports its channel with its two-tier GSA Federal Supply Schedule contract, which enables Promark to authorize its resellers to sell GSA Schedule products to the federal government. Promark also sells professional computer services, maintenance, and warranties related to data storage products.

(i) "**Business Day**" means any day other than (a) Saturday or Sunday or (b) any other day on which banks in Delaware are permitted or required to be closed.

(j) "**Certificate of Merger**" has the meaning set forth in Section 2.2.

(k) "**Certificate**" means a certificate which represents, immediately prior to the Effective Time, outstanding United Common Stock or outstanding United Preferred Stock.

(l) "**Closing**" means the exchange of shares of United Common Stock and United Options for the Merger Consideration as set forth herein, to occur as soon after the Effective Time as is practicable for the Parties. Closing is further defined in Section 2.3.

(m) "**Closing Date**" shall mean the date on which the Closing is completed.

(n) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(o) "**Confidential Information**" means any information pertaining to the business, operations, marketing, customers, financing, forecasts and plans of any Party provided to or learned by any other Party during the course of negotiation of the Merger. Confidential Information does not, however, include information that a Party can demonstrate (i) is now or hereafter becomes, through no act or failure on the part of such Party, generally known or available to the public; (ii) was known by the Party before receiving such information from the disclosing Party; or (iii) is hereafter rightfully obtained by the Party from a third party, without any breach of any obligation to the disclosing Party. Information shall be treated as Confidential Information regardless of whether such information has been marked "confidential".

(p) "**Consent**" means any approval, consent, license, permit, ratification, waiver or other authorization.

(q) "**Contract**" means any agreement, contract, lease, license, consensual obligation, promise, undertaking, understanding, commitment, arrangement, instrument or document (whether written or oral and whether express or implied), whether or not legally binding.

(r) "**DGCL**" shall mean the Delaware General Corporation Law, as amended.

(s) "**Disclosure Schedules**" means the disclosure schedules delivered by each Party to the other Parties as required by this Agreement on the Agreement Date and initialed by the Parties, as subsequently updated or supplemented by the Parties prior to the Closing. The Disclosure Schedules will be arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this Agreement. The Disclosure Schedules shall be attached hereto as Exhibit 1 and by reference made a part hereof.

(t) "**Effective Time**" has the meaning set forth in Section 2.2.

(u) "**Employee Benefit Plan**" has the meaning set forth in ERISA Section 3(3).

(v) "**Encumbrance**" means and includes:

(i) with respect to any personal property, any security or other property interest or right, claim, lien, pledge, option, charge, security interest, contingent or conditional sale, or other title claim or retention agreement or lease or use agreement in the nature thereof, interest or other right or claim of third parties, whether voluntarily incurred or arising by operation of law, and including any agreement to grant or submit to any of the foregoing in the future; and

(ii) with respect to any real property (whether and including owned real estate or Leased Real Estate), any mortgage, lien, easement, interest, right-of-way, condemnation or eminent domain proceeding, encroachment, any building, use or other form of restriction, encumbrance or other claim (including adverse or prescriptive) or right of Third Parties (including Governmental Bodies), any lease or sublease, boundary dispute, and agreements with respect to any real property including: purchase, sale, right of first refusal, option, construction, building or property service, maintenance, property management, conditional or contingent sale, use or occupancy, franchise or concession, whether voluntarily incurred or arising by operation of law, and including any agreement to grant or submit to any of the foregoing in the future.

(w) "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations issued by the Department of Labor pursuant to ERISA or any successor law.

(x) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(y) "**Exchange Ratio**" has the meaning set forth in 3.1(c).

(z) "**GAAP**" means at any particular time generally accepted accounting principles in the United States, consistently applied on a going concern basis, using consistent audit scope and materiality standards.

(aa) "**Governing Documents**" means with respect to any particular entity, the articles or certificate of incorporation and the bylaws; all certificates of designations of classes and series of stock for the entity; equityholders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the equityholders of any Person; and any amendment, supplement, correction, or restatement of any of the foregoing.

(bb) "**Governmental Authorization**" means any Consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Applicable Law.

(cc) "**Governmental Body**" means: (i) nation, state, county, city, town, borough, village, district, tribe or other jurisdiction; (ii) federal, state, local, municipal, foreign, tribal or other government; (iii) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (iv) multinational organization or body; (v) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or (vi) official of any of the foregoing.

(dd) "**IRS**" means the United States Internal Revenue Service and, to the extent relevant, the United States Department of the Treasury.

(ee) "**Knowledge of Parent**" or "**Knowledge**" with respect to Parent means actual knowledge without independent investigation of Robert Selby.

(ff) "**Knowledge of Promark**" or "**Knowledge**" with respect to Promark means actual knowledge without independent investigation of Dale Foster and William Ochall.

(gg) "**Knowledge of United**" or "**Knowledge**" with respect to United means actual knowledge without independent investigation of Dale Foster and William Ochall.

(hh) "**Lost Stock Certificate Affidavit**" has the meaning set forth in Section 3.4.

(ii) "**Material Adverse Effect**" means, in connection with any Person, any event, change or effect that is materially adverse, individually or in the aggregate, to the condition (financial or otherwise), properties, assets, liabilities, revenues, income, business, operations, results of operations or prospects of such Person, taken as a whole.

(jj) "**Merger**" has the meaning set forth in Recital A.

(kk) "**Merger Consideration**" has the meaning set forth in Section 3.1(c).

(ll) "**Merger Sub**" has the meaning set forth in the preamble.

(mm) "**Merger Sub Common Stock**" has the meaning set forth in Section 7.3.

(nn) "**Nevada Code**" means Nevada Revised Statutes, Title 7, as amended.

(oo) "**Order**" means any writ, directive, order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

(pp) "**Ordinary Course of Business**" means an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business only if that action: (i) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person; (ii) does not require authorization by the board of directors or shareholders of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature; and (iii) is similar in nature, scope and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal, day-to-day operations of other Persons that are in the same line of business as such Person.

(qq) "**Parent**" has the meaning given in the preamble above.

(rr) "**Parent Common Stock**" means the common stock, par value $0.0001 per share, of Parent.

(ss) "**Parent Material Contracts**" has the meaning set forth in Section 7.1(n).

(tt) "**Parent Employee Benefit Plans**" has the meaning set forth in Section 7.1(p)(i).

(uu) "**Parent Financial Statements**" has the meaning set forth in Section 7.1(f).

(vv) "**Parent SEC Reports**" has the meaning set forth in Section 7.1(m).

(ww) "**Parent Tax Affiliate**" has the meaning set forth in Section 7.1(h)(i).

(xx) "**Party**" or "**Parties**" means United, United Stockholders, Promark, Parent and/or Merger Sub.

(yy) "**Person**" means an individual, corporation, partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, trust or unincorporated organization, joint stock corporation or other similar organization, Governmental Body, or any other legal entity.

(zz) "**Proceeding**" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

(aaa) "**Promark**" has the meaning set forth in the preamble.

(bbb) "**Promark Balance Sheet**" has the meaning set forth in Section 5.6(b).

(ccc) "**Promark Board**" has the meaning set forth in Section 5.4.

(ddd) "**Promark Contracts**" has the meaning set forth in Section 5.15.

(eee) "**Promark Employee Plans**" has the meaning set forth in Section 5.18.

(fff) "**Promark Financial Information**" has the meaning set forth in Section 5.6.

(ggg) "**Promark Intellectual Property**" has the meaning set forth in Section 5.13(a).

(hhh) "**Promark Tax Affiliate**" has the meaning set forth in Section 5.8(a).

(iii) "**Real Property Lease**" means any lease or rental agreement pertaining to the occupancy of any improved space on any Land.

(jjj) "**Representative**" means with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor, legal counsel or other representative of that Person.

(kkk) "**SEC**" means the United States Securities and Exchange Commission.

(lll) "**Securities Act**" means the Securities Act of 1933, as amended.

(mmm) "**Security Interest**" means any mortgage, pledge, security interest, Encumbrance, charge, claim, or other lien, other than: (a) mechanic's, materialmen's and similar liens; (b) liens for Taxes not yet due and payable or for Taxes that the taxpayer is contesting in good faith through appropriate Proceedings; (c) liens arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation; (d) liens arising in connection with sales of foreign receivables; (e) liens on goods in transit incurred pursuant to documentary letters of credit; (f) purchase money liens and liens securing rental payments under capital lease arrangements; and (g) other liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

(nnn) "**Stockholders**" means the holders of all issued and outstanding shares of United Common Stock and United Preferred Stock.

(ooo) "**Subsidiary**" means with respect to any Person (the "Owner"), any corporation or other Person the securities or other interests of which have the power to elect a majority of that corporation's or other Person's board of directors or similar governing body, or otherwise have the power to direct the business and policies of that corporation or other Person (other than securities or other interests having such power only upon the happening of a contingency that has not occurred), held by the Owner or one or more of its Subsidiaries.

(ppp) "**Surviving Corporation**" has the meaning set forth in Section 2.1.

(qqq) "**Tangible Personal Property**" means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies, materials, vehicles and other items of tangible personal property of every kind owned or leased by a Party (wherever located and whether or not carried on a Party's books), together with any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof and all maintenance records and other documents relating thereto.

(rrr) "**Tax**" or "**Taxes**" means, with respect to any Person: (i) all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all gross receipts, sales, use, ad valorem, transfer, franchise, license, withholding, payroll, employment, excise, severance, stamp, occupation, commercial rent, premium, property or windfall profit taxes, alternative or add-on minimum taxes, customs duties and other taxes, fees, assessments or charges of any kind whatsoever, together with all interest and penalties, additions to tax and other additional amounts imposed by any taxing authority (domestic or foreign) on such person (if any); and (ii) any liability for the payment of any amount of the type described in clause (i) above as a result of (A) being a "transferee" (within the meaning of Section 6901 of the Code or any Applicable Law) of another person, (B) being a member of an affiliated, combined or consolidated group or (C) a contractual arrangement or otherwise.

(sss) "**Tax Return**" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(ttt) "**Third Party**" means a Person that is not a Party to this Agreement.

(uuu) "**United**" has the meaning set forth in the preamble.

(vvv) "**United Balance Sheet**" has the meaning set forth in Section 4.6(b).

(www) "**United Board**" has the meaning set forth in Section 4.4.

(xxx) "**United Common Stock**" has the meaning set forth in Section 4.3.

(yyy) "**United Employee Plans**" has the meaning set forth in Section 4.18.

(zzz) "**United Financial Information**" has the meaning set forth in Section 4.6.

(aaaa) "**United Options**" means all issued and outstanding options (including commitments to grant options), whether vested or unvested, to acquire shares of United Common Stock pursuant to the 2001 United Stock Option Plan.

(bbbb) "**United Option Letter**" has the meaning set forth in Section 3.2(e).

(cccc) "**United Optionholders**" are holders of outstanding United Options.

(dddd) "**United Preferred Stock**" has the meaning set forth in Section 4.3.

(eeee) "**United Stockholders**" means the holders of shares of stock of United.

(ffff) "**United Tax Affiliate**" has the meaning set forth in Section 4.8(a)

ARTICLE II. THE MERGER

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the DGCL and the Nevada Code, at the Effective Time, Merger Sub shall be merged with and into United in accordance with the provisions of the DGCL and the Nevada Code. Following the Effective Time, the separate existence of Merger Sub shall cease, and United shall continue as the surviving corporation in the Merger (hereinafter sometimes referred to as the "**Surviving Corporation**") as a business corporation incorporated under the laws of the State of Delaware under the name "United Strategies, Inc." and shall succeed to and assume all the rights and obligations of Merger Sub in accordance with the DGCL and the Nevada Code.

2.2 Effective Time Of The Merger. The Merger shall become effective at such time (the "**Effective Time**") as a duly executed Certificate of Merger, in form and substance reasonably acceptable to Parent and United (the "**Certificate of Merger**"), is filed with the Secretary of State for the State of Delaware.

2.3 Closing. The Closing shall take place as soon as practicable, and in no event later than five (5) business days after the satisfaction or waiver of each of the conditions set forth in Article X below or at such other time as the parties agree (the "**Closing Date**"). The Closing shall take place at the offices of Venable LLP, 750 East Pratt Street, Suite 900, Baltimore, MD 21202. The Closing Date will be on the date and at the time to be agreed upon by the Parties, consistent with the requirements of this Section 2.3.

2.4 Surviving Corporation. The Certificate of Incorporation of United, as the same has been amended, corrected and restated from time to time, shall be the Certificate of Incorporation of the Surviving Corporation, until duly amended in accordance with the terms thereof and of the DGCL.

(b) The By-laws of United shall be the By-laws of the Surviving Corporation until duly amended in accordance with their terms and as provided by the Certificate of Incorporation of the Surviving Corporation and the DGCL.

(c) Those individuals set forth on Schedule 2.4 shall, from and after the Effective Time, be the directors of the Surviving Corporation until their respective successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Surviving Corporation's Certificate of Incorporation and By-laws.

(d) Those individuals set forth on Schedule 2.4 shall, from and after the Effective Time, be the officers of the Surviving Corporation 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 Certificate of Incorporation and By-laws.

(e) If at any time after the Effective Time, any Party shall consider in its reasonable judgment that any further deeds, assignments, conveyances, agreements, documents, instruments or assurances in law or any other things are necessary or desirable to vest, perfect, confirm or record in the Surviving Corporation the title to any property, rights, privileges, powers and franchises of Merger Sub by reason of, or as a result of, the Merger, or otherwise to carry out the provisions of this Agreement, then the remaining parties, as applicable, shall execute and deliver, upon request, any instruments or assurances, and do all other things reasonably necessary or proper to vest, perfect, confirm or record title to such property, rights, privileges, powers and franchises in the Surviving Corporation, and otherwise to carry out the provisions of this Agreement.

ARTICLE III. EFFECT OF THE MERGER

3.1 Effect on Shares and Merger Sub Capital Stock. As at the Effective Time, by virtue of the Merger and without any action on the part of Parent, United, Merger Sub, or the United Stockholders:

(a) Each issued and outstanding share of Parent Common Stock immediately prior to the Effective Time shall remain outstanding and unaffected as issued and outstanding shares of Parent.

(b) Each share of United Common Stock and United Preferred Stock held in the treasury of United shall be canceled without any conversion thereof and no payment or distribution shall be made with respect thereto.

(c) Each share of United Common Stock, issued and outstanding as of immediately prior to the Effective Time, shall be converted into, and become exchangeable for the right to receive consideration (the "**Merger Consideration**"), consisting of 2.946421648 shares (the "**Exchange Ratio**") of Parent Common Stock, provided that the total number of shares of Parent Common Stock held by a Stockholder immediately after the Effective Time shall be rounded to a whole share pursuant to Section 3.8(b) herein. After the Effective Time, all shares of United Common Stock shall no longer be outstanding and shall automatically be canceled and retired, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto other than (i) the right to receive shares of Parent Common Stock to be issued in consideration therefor upon the surrender of such certificate and (ii) any dividends and other distributions in accordance with Section 3.4(c).

(d) Each share of United Preferred Stock, par value $0.001 per share, issued and outstanding immediately prior to the Effective Time, shall be converted into, and become exchangeable for the right to receive that portion of the Merger Consideration consisting of 2.946421648 shares of Parent Common Stock, provided that the total number of shares of Parent Common Stock held by the United Preferred Stockholder immediately after the Effective Time shall be rounded to a whole share pursuant to Section 3.8(b) herein.

(e) Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one fully paid and non-assessable share of common stock, par value $0.001 per share, of the Surviving Corporation with the same rights, powers and privileges as each share so converted, and shall thereupon constitute the only outstanding shares of capital stock of the Surviving Corporation.

3.2 Effect on Options and Option Exchange Procedures.

(a) Each outstanding (as of immediately prior to the Effective Time) United Option shall be cancelled and in exchange Parent shall issue to former United Optionholder a substitute option (an "**Assumed Option**") to purchase the number of shares of Parent Common Stock determined by multiplying (i) the number of shares of United Common Stock subject to such United Option immediately prior to the Effective Time by (ii) the Exchange Ratio, provided that the total number of shares of Parent Common Stock which the United Optionholder is entitled to purchase at the Effective Time shall be rounded to a whole share pursuant to Section 3.8(c) herein. The exercise price of each share of Parent Common Stock under the Assumed Option shall be determined by dividing (i) the exercise price for each share otherwise purchasable pursuant to the United Option for which it was substituted by (ii) the Exchange Ratio (the "Adjusted Exercise Price"), and rounding such amount pursuant to Section 3.8(c) herein. Except for the foregoing adjustments and adjustments described in the United Option Letter, all the terms and conditions in effect for each United Option immediately prior to the Effective Time shall continue in effect under the Assumed Option issued in substitution in accordance with this Agreement. The substitution of the Assumed Options for the United Options is intended to meet the requirements of Treasury Regulations Section 1.409A-1(b)(5)(v)(D). United agrees that it will not grant any stock appreciation rights or limited stock appreciation rights and will not permit cash payments to holders of United Options in lieu of the substitution therefor of Assumed Options.

(b) Parent shall adopt immediately following Closing the Parent 2012 Omnibus Stock Plan attached hereto as Exhibit 2 (the "**Parent Plan**"). The Parent Plan shall provide for (i) issuance of the Assumed Options and (ii) for the number of shares of Parent Common Stock reflected in the Assumed Options and additional shares of Parent Common Stock, for an aggregate of twenty-one million (21,000,000) shares of Parent Common Stock authorized under the Parent Plan. The Parent Plan shall be submitted to holders of Parent Common Stock for approval by the stockholders of Parent within twelve (12) months of its adoption.

(c) Parent shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Parent Common Stock for delivery upon the exercise of the Assumed Options and the number of additional shares available under the Parent Plan.

(d) As soon as practicable after the Effective Time, but in no event later than ninety (90) days after the Effective Time, Parent shall prepare and file with the SEC a registration statement on Form S-8 (or another appropriate form) registering the shares subject to the Parent Plan, including the shares subject to the Assumed Options. Such registration statement shall be kept effective (and the current status of the prospectus required thereby shall be maintained in accordance with the relevant requirements of the Securities Act and the Exchange Act) at least for so long as any Assumed Options or other awards issued under the Parent Plan remain outstanding.

(e) Prior to the Closing Date, United shall mail or otherwise deliver to each United Optionholder (i) a letter of transmittal in form and substance reasonably acceptable to Parent and United (the "**United Option Letter**") requesting confirmation of the continued ownership of the United Options and describing changes related to administration of the Assumed Options under the Parent Plan following Closing, and (ii) a FIRPTA affidavit, in a form acceptable to Parent. The United Optionholders shall have returned the United Option Letters and FIRPTA affidavits to Parent, properly completed and duly executed, with signatures guaranteed in a manner reasonably acceptable to Parent's counsel prior to Closing. The United Optionholders shall use reasonable commercial efforts to cure promptly any deficiencies with respect to the endorsement of any United Option Letter or other documents of conveyance with respect to such United Option Letters. Upon such return to Parent and as soon as practicable following Closing, each of the United Optionholders shall be entitled to receive a notice from Parent reflecting his or her portion of Assumed Options and the terms and conditions thereof.

(f) At and after the Effective Time, until the United Option Letters have been returned, such United Option Letter shall be deemed to evidence only the right to receive Assumed Options.

(g) From and after the Effective Time, each United Option that is assumed by Parent and exchanged for an Assumed Option by virtue of the Merger pursuant to this Section 3.2 shall no longer be outstanding and shall cease to have any rights other than the right to be exchanged for an Assumed Option, upon the terms and subject to the conditions set forth in this Agreement.

3.3 Adjustment of the Exchange Ratio. In the event that, prior to the Effective Date, any stock split, combination, reclassification or stock dividend with respect to Parent Common Stock, any change or conversion of Parent Common Stock into other securities or any other dividend or distribution with respect to the Parent Common Stock should occur or, if a record date with respect to any of the foregoing should occur, appropriate and proportionate adjustments shall be made to the Exchange Ratio, and thereafter all references to the Exchange Ratio shall be deemed to be to such Exchange Ratio as so adjusted.

3.4 Surrender and Exchange of Certificates. Promptly after the Effective Time and upon (i) surrender of a Certificate or Certificates representing shares of United Common Stock or United Preferred Stock that were outstanding immediately prior to the Effective Time or delivery of an affidavit and indemnification in form reasonably acceptable to counsel for the Parent and any transfer agent for the Parent Common Stock stating that such Stockholder has lost their Certificate or Certificates representing such stock ("**Lost Stock Certificate Affidavit**") or that such Certificate or Certificates has or have been destroyed and (ii) delivery of a letter of transmittal ("**Letter of Transmittal**"), Parent shall issue to each record holder of the United Common Stock or United Preferred Stock surrendering such Certificate or Certificates (or delivering a Lost Stock Certificate Affidavit) and delivering such Letter of Transmittal, a certificate or certificates registered in the name of such Stockholder representing the number of shares of Parent Common Stock that such Stockholder shall be entitled to receive as set forth in Sections 3.1(c) and 3.1(d) hereof. Until the Certificate, Certificates or Lost Stock Certificate Affidavit is or are surrendered together with the Letter of Transmittal as contemplated by this Section 1.6 hereof, each Certificate or Lost Stock Certificate Affidavit that immediately prior to the Effective Time represented any outstanding shares of United Common Stock or shares of United Preferred Stock shall be deemed at and after the Effective Time to represent only the right to receive upon surrender as aforesaid the Parent Common Stock specified in Sections 3.1(c) and 3.1(d) hereof for the holder thereof or to perfect any rights of appraisal which such holder may have pursuant to the applicable provisions of Nevada Law.

3.5 Parent Common Stock.

(a) Parent agrees that it will cause the Parent Common Stock into which the United Common Stock and the United Preferred Stock is converted at the Effective Time pursuant to Sections 3.1(c) and 3.1(d) to be available for such purpose. Parent further covenants that immediately prior to the Effective Time there will be no more than 2,000,000 shares of Parent Common Stock issued and outstanding and that no other common or preferred stock or equity securities of Parent or any options, warrants, rights or other agreements or instruments convertible, exchangeable or exercisable into common or preferred stock or other equity securities of Parent shall be issued or outstanding, except as described herein.

(b) The Parties acknowledge and agree that the shares of Parent Common Stock issuable pursuant to Section 3.1(c) and each certificate, instrument or other document issued by Parent on the Closing Date upon the surrender of any security convertible into, exchangeable for or evidencing a right to acquire United Common Stock will be restricted securities as defined under the Securities Act and may be transferred or sold only pursuant to an effective registration under the Securities Act or an exemption from the registration provisions of the Securities Act and that each certificate evidencing the Parent Common Stock issued pursuant to Section 3.1(c) and each certificate, instrument or other document issued by Parent on the Closing Date upon the surrender of any security convertible into, exchangeable for or evidencing a right to acquire United Common Stock will bear the legends in substantially the form set forth below:

(i) THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTIONS. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS;

(ii) Any additional legend required by Applicable Law.

The legend set forth in (i) above shall be removed from any certificate evidencing such shares of Parent Common Stock issued pursuant to Section 3.1(c) and each certificate, instrument or other document issued by Parent on the Closing Date upon the surrender of any security convertible into, exchangeable for or evidencing a right to acquire United Common Stock upon delivery to Parent of an opinion of counsel, reasonably satisfactory to Parent, that such security can be freely transferred without such a registration statement being in effect or that one is in effect, and that such transfer will not jeopardize the exemption or exemptions from registration pursuant to which Parent issued such Merger Shares.

3.6 Stock Transfer Books. At the close of business on the day on which the Effective Time occurs, the stock transfer books of United shall be closed and thereafter there shall be no further registration of transfers of shares of United Common Stock on the records of the United. From and after the Effective Time, the holders of shares of United Common Stock and United Preferred Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such shares except as otherwise provided herein or by applicable law.

3.7 Voting by Unexchanged Shares. Holders of unsurrendered Certificates who were the registered holders at the Effective Time and who have approved the Merger shall be entitled to vote after the Effective Time at any meeting of Parent stockholders the number of whole shares of Parent Common Stock represented by such Certificates as calculated in accordance with the provisions of this Agreement, regardless of whether such holders have exchanged their Certificates.

3.8 No Fractional Shares.

(a) No certificates or scrip representing fractional shares of Parent Common Stock shall be issued upon the surrender for exchange of Certificates and such a fractional share shall not entitle the record or beneficial owner thereof to vote or to any other rights as a stockholder of Parent.

(b) The total number of shares of Parent Common Stock to which each United Stockholder shall be entitled after the Effective Time shall be rounded down to the nearest whole share.

(c) The total number of shares of Parent Common Stock which each United Optionholder shall be entitled to purchase under the Assumed Options issued in substitution after the Effective Time shall be rounded down to the nearest whole share. The Adjusted Exercise Price shall be rounded up to the nearest hundredth of a cent.

3.9 No Further Ownership Rights in United Common Stock. All shares of Parent Common Stock delivered upon the surrender for exchange of any Certificate in accordance with the terms hereof shall be deemed to have been delivered (and paid) in full satisfaction of all rights pertaining to the United Common Stock previously represented by such Certificate.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF UNITED

United makes the following representations and warranties to Parent and Merger Sub as of the Agreement Date and through and including the Closing Date:

4.1 Organization and Good Standing.

(a) United is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. United is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification and the failure to be so qualified would have a Material Adverse Effect on United.

(b) United has a single subsidiary, which is Promark. United owns all of the issued and outstanding capital stock of Promark. United does not own any shares of capital stock or other securities of any other Person other than Promark.

4.2 Corporate Documents. True and correct copies of the following documents have been made available to Parent:

(a) the Governing Documents, as amended, corrected and restated from time to time, of United; and

(bi) a shareholder list setting forth all owners of the capital stock of United as they appear in the stock records of United.

4.3 Capitalization of United. The entire authorized capital stock of United consists of 15,000,000 shares. United is authorized to issue 12,000,000 shares of common stock having a par value of $0.001 per share ("**United Common Stock**"), of which 7,100,889 shares are issued and outstanding. United is authorized to issue 3,000,000 shares of preferred stock having a par value of $0.001 per share ("**United Preferred Stock**"), of which 167,000 shares of Series B preferred stock are issued and outstanding. No other series of preferred stock is issued and outstanding. All of United's issued and outstanding shares of common stock and Series B preferred stock have been duly authorized, are validly issued, fully paid and non-assessable. The United Options consist of options to purchase 5,629,111 shares of United Common Stock under The United Strategies 2001 Stock Option Plan. A capitalization table illustrating the fully-diluted ownership of United is set forth on Schedule 4.3. There are no: (a) United stock option plans other than The United Strategies 2001 Stock Option Plan; (b) option plans under which any Person may purchase United Preferred Stock; and (c) options to purchase United Preferred Stock. Other than this Agreement, and those options to purchase United common stock listed on Schedule 4.3 there are no outstanding or authorized options, warrants, rights, contracts, calls, puts, rights to subscribe, conversion rights, registration rights or other agreements or commitments to which United is a party or which are binding upon United providing for the issuance, disposition or acquisition of any of its capital stock, nor any outstanding or authorized stock appreciation, phantom stock or similar rights with respect to United.

4.4 Authorization of Transaction. United has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. At the Effective Time, this Agreement shall be duly and validly authorized by all necessary action on the part of United in accordance with Applicable Laws and United's Governing Documents. This Agreement has been duly executed and delivered by United, and shall constitute the valid and binding agreement of United, enforceable against United in accordance with its terms, subject to: (a) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforceability of creditors' rights generally; (b) general equitable principles; and (c) the discretion of courts in granting equitable remedies. Other than filing the appropriate Certificate of Merger, United does not need to give any notice to, make any filing with, or obtain any Consent of any Governmental Body in order to consummate the Merger. The Board of Directors of United (the "**United Board**") has duly and validly authorized the execution and delivery of this Agreement and approved the consummation of the transactions contemplated hereby, and has taken all corporate actions required to be taken by the United Board for the consummation of the Merger.

4.5 Noncontravention. Neither the execution and delivery of this Agreement, nor consummation of the Merger, by United will:

(a) violate any Applicable Law, Order, stipulation, charge or other restriction of any Governmental Body to which United is subject or any provision of its Governing Documents; or

(b) conflict with, result in a Breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest or other arrangement to which United is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets), except where the violation, conflict, Breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the financial condition of United or on the ability of the Parties to consummate the Merger.

4.6 United Financial Information. Schedule 4.6 shall include the following financial information (collectively, the "**United Financial Information**"):

(a) audited consolidated and consolidating balance sheets and statements of income, changes in stockholders' equity and cash flow, as of and for the fiscal years ended June 30, 2011 and June 30, 2010; and

(b) unaudited consolidated and consolidating balance sheets and statements of income, changes in stockholders' equity and cash flow as of and for seven (7) months ended January 31, 2012 (the "**United Balance Sheet**") for United. The United Financial Information presents fairly the financial condition of United as of such dates and the results of operations of United for such periods, in accordance with GAAP and are consistent with the books and records of United (which books and records are correct and complete in all material respects).

4.7 Tax Matters.

(a) United and each other Person included in any consolidated or combined Tax Return and part of an affiliated group, within the meaning of Section 1504 of the Code, of which United is or has been a member ("**United Tax Affiliate**"), for the years that it was a United Tax Affiliate:

(i) has timely paid or caused to be paid all Taxes required to be paid by it though the Agreement Date and as of the Closing Date (including any Taxes shown due on any Tax Return);

(ii) has filed or caused to be filed in a timely and proper manner (within any applicable extension periods) all Tax Returns required to be filed by it with the appropriate Governmental Body in all jurisdictions in which such Tax Returns are required to be filed; and all tax returns filed on behalf of United and each United Tax Affiliate were complete and correct in all material respects; and

(iii) has not requested or caused to be requested any extension of time within which to file any Tax Return, which Tax Return has not since been filed.

(b) Since January 1, 2009, neither United nor any United Tax Affiliate (for the years that it was a United Tax Affiliate) has been notified by the IRS or any other Governmental Body that any issues have been raised (and no such issues are currently pending) by the IRS or any other Governmental Body in connection with any Tax Return filed by or on behalf of United or any United Tax Affiliate; there are no pending Tax audits and no waivers of statutes of limitations have been given or requested with respect to United or any United Tax Affiliate (for years that it was a United Tax Affiliate); no Tax liens have been filed against United or unresolved deficiencies or additions to Taxes have been proposed, asserted or assessed against United or any United Tax Affiliate (for the years that it was a United Tax Affiliate);

(c) United is a C-corporation and has maintained its status as a C-corporation since its inception.

(d) United is not and was not at any time since its inception a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code or the regulations issued thereunder; neither the United Common Stock nor the United Preferred Stock constitutes a "United States real property interest" within the meaning of Sections 897(c) or 1445 of the Code or the regulations issued thereunder; none of the United Stockholders or United Optionholders is a foreign person as that term is defined in the Code or the regulations issued thereunder; and neither Parent nor Merger Sub will be required to withhold Taxes from any portion of the Merger Consideration on the grounds that one or more of the United Stockholders or United Optionholders is a foreign person, as that term is defined in the Code or the regulations issued thereunder.

4.8 Title to Assets. United has good and marketable title to, or a valid leasehold interest in, the properties and assets owned or leased and used by it to operate the Business in the manner presently operated by United, as reflected in the United Financial Information.

4.9 Real Property. United does not own or hold an ownership interest in any real property.

4.10 Leased Real Property. United does not have a leasehold interest in any real property.

4.11 Condition of Properties. All facilities, office equipment, fixtures and other properties owned, leased or used by United are in good operating condition and repair, subject to ordinary wear and tear, and are adequate and sufficient for United's business as presently conducted.

4.12 Affiliate Transactions. No officer, director, or employee of United or any member of the immediate family of any such officer, director or employee, or any entity in which any of such persons owns any beneficial interest (other than any publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than one percent (1%) of the stock of which is beneficially owned by any of such persons), has any agreement with United or any interest in any of their property of any nature, used in or pertaining to the Business (other than the ownership of capital stock of the corporation as disclosed in Section 4.3). None of the foregoing Persons has any direct or indirect interest in any competitor, supplier or customer of United or in any Person from whom or to whom United leases any property or transacts business of any nature.

4.13 Litigation.

(a) There is no pending or, to the Knowledge of United, threatened Proceeding:

(i) by or against United or that otherwise relates to or may affect the Business which, if adversely determined, would have a Material Adverse Effect; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the Merger.

(b) There is no material Order or judgment to which United or the Business is subject.

(c) To the Knowledge of United, no officer, director, agent or employee of United (i) is subject to any Order that prohibits such officer, director, agent or employee from engaging in or continuing any conduct, activity or practice relating to the Business or (ii) is or has been the subject of any action, suit, proceeding or order involving a claim of violation of or liability under federal or state securities laws.

4.14 Employee Benefits.

(a) Schedule 4.14 lists all material (i) Employee Benefit Plans of United, (ii) bonus, stock option, stock purchase, stock appreciation right, incentive, deferred compensation, supplemental retirement, severance, and fringe benefit plans, programs, policies or arrangements, and (iii) employment or consulting agreements, for the benefit of, or relating to, any current or former employee (or any beneficiary thereof) of United, in the case of a plan described in (i) or (ii) above, that is currently maintained by United or with respect to which United has an obligation to contribute, and in the case of an agreement described in (iii) above, that is currently in effect (the "**United Employee Plans**"). United has heretofore made available to Parent true and complete copies of the United Employee Plans and any amendments thereto, any related trust, insurance contract, summary plan description, and, to the extent required under ERISA or the Code, the most recent annual report on Form 5500 and summaries of material modifications.

(b) No United Employee Plan is (1) a "multiemployer plan" within the meaning of Sections 3(37) or 4001(a)(3) of ERISA, (2) a "multiple employer plan" within the meaning of Section 3(40) of ERISA or Section 413(c) of the Code, or (3) is subject to Title IV of ERISA or Section 412 of the Code.

(c) There is no Proceeding pending or, to the Knowledge of United, threatened against the assets of any United Employee Plan or, with respect to any United Employee Plan, against United other than Proceedings that would not reasonably be expected to result in a Material Adverse Effect, and, to the Knowledge of United there, is no Proceeding pending or threatened in writing against any fiduciary of any United Employee Plan other than Proceedings that would not reasonably be expected to result in a Material Adverse Effect.

(d) Each of the United Employee Plans has been operated and administered in all material respects in accordance with its terms and applicable law, including, but not limited to, ERISA and the Code.

(e) Each of the United Employee Plans that is intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination, notification, or opinion letter from the IRS.

(f) No director, officer, or employee of United will become entitled to retirement, severance or similar benefits or to enhanced or accelerated benefits (including any acceleration of vesting or lapsing of restrictions with respect to equity-based awards) under any United Employee Plan solely as a result of consummation of the Merger.

4.15 Insurance. There is in full force and effect one or more policies of insurance issued by insurers of recognized responsibility, insuring United and its properties and business against such losses and risks, and in such amounts, as are customary for corporations of established reputation engaged in the same or similar business and similarly situated.

4.16 Employees. United has complied in all material respects with all laws relating to the employment of labor, and United has encountered no material labor union difficulties. Other than pursuant to ordinary arrangements of employment compensation, United is not under any obligation or liability to any officer, director or employee of United.

4.17 Legal Compliance. United is in material compliance with all Applicable Laws (including rules and regulations thereunder) of any Governmental Bodies having jurisdiction over United, including any requirements relating to antitrust, consumer protection, currency exchange, equal opportunity, health, occupational safety, pension and securities matters.

4.18 Brokers' Fees. United has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the Merger for which United, Parent or Merger Sub could become liable or obligated.

4.19 Undisclosed Liabilities. United has no liability (and to the Knowledge of United, there is no basis for any present or future Proceeding, charge, complaint, claim, or demand against any of them giving rise to any liability), except for

(i) liabilities reflected or reserved against in the United Balance Sheet; or

(ii) liabilities which have arisen in the Ordinary Course of Business since the date of the United Balance Sheet.

4.20 Disclosure. The representations and warranties of United contained in this Agreement or in any Exhibits hereto do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained herein or in such Exhibits not misleading.

ARTICLE V. REPRESENTATIONS AND WARRANTIES OF PROMARK

Promark makes the following representations and warranties to Parent and Merger Sub as of the Agreement Date and through and including the Closing Date:

5.1 Organization and Good Standing.

(a) Promark is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland. Promark is duly qualified to do business as a foreign corporation and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification and the failure to be so qualified would have a Material Adverse Effect on Promark.

(b) Promark has no subsidiaries. United owns all of the issued and outstanding capital stock of Promark. Promark does not own any shares of capital stock or other securities of any other Person.

5.2 Corporate Documents. True and correct copies of the Governing Documents, as amended, corrected and restated from time to time, of Promark have been made available to Parent.

5.3 Capitalization of Promark. All of Promark's issued and outstanding shares of common stock have been duly authorized, are validly issued, fully paid and non-assessable, and are held of record by United. There are no outstanding or authorized options, warrants, rights, contracts, calls, puts, rights to subscribe, conversion rights, registration rights or other agreements or commitments to which Promark is a party or which are binding upon Promark providing for the issuance, disposition or acquisition of any of its capital stock, nor any outstanding or authorized stock appreciation, phantom stock or similar rights with respect to Promark.

5.4 Authorization of Transaction. Promark has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. At the Effective Time, this Agreement shall be duly and validly authorized by all necessary action on the part of Promark in accordance with Applicable Laws and Promark's Governing Documents. This Agreement has been duly executed and delivered by Promark, and shall constitute the valid and binding agreement of Promark, enforceable against Promark in accordance with its terms, subject to: (a) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforceability of creditors' rights generally; (b) general equitable principles; and (c) the discretion of courts in granting equitable remedies. The Board of Directors of Promark (the "**Promark Board**") has duly and validly authorized the execution and delivery of this Agreement and approved the consummation of the transactions contemplated hereby.

5.5 Noncontravention. Neither the execution of this Agreement, nor the delivery of this Agreement, nor Promark's performance of its obligations under this Agreement by Promark will:

(a) violate any Applicable Law, Order, stipulation, charge or other restriction of any Governmental Body to which Promark is subject or any provision of its Governing Documents; or

(b) conflict with, result in a Breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest or other arrangement to which Promark is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets), except where the violation, conflict, Breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the financial condition of Promark or on the ability of the Parties to consummate the Merger.

5.6 Promark Financial Information. Schedule 5.6 shall include the following financial information (collectively, the "**Promark Financial Information**"):

(a) audited balance sheets and statements of income, changes in stockholders' equity and cash flow, as of and for the fiscal years ended June 30, 2011 and June 30, 2010; and

(b) unaudited balance sheets and statements of income, changes in stockholders' equity and cash flow as of and for seven (7) months ended January 31, 2012 (the "**Promark Balance Sheet**") for Promark. The Promark Financial Information presents fairly the financial condition of Promark as of such dates and the results of operations of Promark for such periods, in accordance with GAAP and are consistent with the books and records of Promark (which books and records are correct and complete in all material respects).

5.7 Tax Matters.

(a) Promark and each other Person included in any consolidated or combined Tax Return and part of an affiliated group, within the meaning of Section 1504 of the Code, of which Promark is or has been a member ("**Promark Tax Affiliate**"), for the years that it was a Promark Tax Affiliate:

(i) has timely paid or caused to be paid all Taxes required to be paid by it though the Agreement Date and as of the Closing Date (including any Taxes shown due on any Tax Return);

(ii) has filed or caused to be filed in a timely and proper manner (within any applicable extension periods) all Tax Returns required to be filed by it with the appropriate Governmental Body in all jurisdictions in which such Tax Returns are required to be filed; and all tax returns filed on behalf of Promark and each Promark Tax Affiliate were complete and correct in all material respects; and

(iii) has not requested or caused to be requested any extension of time within which to file any Tax Return, which Tax Return has not since been filed.

(b) Since January 1, 2009, neither Promark nor any Promark Tax Affiliate (for the years that it was a Promark Tax Affiliate) has been notified by the IRS or any other Governmental Body that any issues have been raised (and no such issues are currently pending) by the IRS or any other Governmental Body in connection with any Tax Return filed by or on behalf of Promark or any Promark Tax Affiliate; there are no pending Tax audits and no waivers of statutes of limitations have been given or requested with respect to Promark or any Promark Tax Affiliate (for years that it was a Promark Tax Affiliate); no Tax liens have been filed against Promark or unresolved deficiencies or additions to Taxes have been proposed, asserted or assessed against Promark or any Promark Tax Affiliate (for the years that it was a Promark Tax Affiliate).

(c) Promark is a C-corporation and has maintained its status as a C-corporation since its inception.

(d) Promark is not and was not at any time since its inception a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code or the regulations issued thereunder.

5.8 Title to Assets. Promark has good and marketable title to, or a valid leasehold interest in, the properties and assets owned or leased and used by it to operate the Business in the manner presently operated by Promark, as reflected in the Promark Financial Information.

5.9 Real Property. Promark does not own or hold an ownership interest in any real property.

5.10 Leased Real Property. Schedule 5.10 contains a correct legal description, street address and tax parcel identification number of all tracts, parcels and subdivided lots in which Promark has a leasehold interest and an accurate description (by location, name of lessor, date of lease and term expiration date) of all Real Property Leases pursuant to which Promark has a leasehold interest.

5.11 Condition of Properties. All facilities, office equipment, fixtures and other properties owned, leased or used by Promark are in good operating condition and repair, subject to ordinary wear and tear, and are adequate and sufficient for Promark's business as presently conducted.

5.12 Promark Intellectual Property.

(a) Promark owns, or is licensed or otherwise possesses legal enforceable rights to use all: (i) trademarks and service marks (registered or unregistered), trade dress, trade names and other names and slogans embodying business goodwill or indications of origin, all applications or registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith; (ii) patentable inventions, technology, computer programs and software (including password unprotected interpretive code or source code, object code, development documentation, programming tools, drawings, specifications and data) and all applications and patents in any jurisdiction pertaining to the foregoing, including re-issues, continuations, divisions, continuations-in-part, renewals or extensions; (iii) trade secrets, including confidential and other non-public information (iv) copyrights in writings, designs, software programs, mask works or other works, applications or registrations in any jurisdiction for the foregoing and all moral rights related thereto; (v) databases and all database rights; and (vi) Internet web sites, domain names and applications and registrations pertaining thereto (collectively, "**Promark Intellectual Property**") that are used in the Business except for any such failures to own, be licensed or process that would not be reasonably likely to have a Material Adverse Effect.

(b) Except as may be evidenced by patents issued after the Agreement Date, there are no conflicts with or infringements of any material Promark Intellectual Property by any third party and the conduct of the Business as currently conducted does not conflict with or infringe any proprietary right of a third party.

(c) Promark owns or has the right to use all software currently used in and material to the Business.

5.13 Affiliate Transactions. Except as set forth on Schedule 5.13, no officer, director, or employee of Promark or any member of the immediate family of any such officer, director or employee, or any entity in which any of such persons owns any beneficial interest (other than any publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than one percent (1%) of the stock of which is beneficially owned by any of such persons), has any agreement with Promark or any interest in any of their property of any nature, used in or pertaining to the Business (other than the ownership of capital stock of the corporation as disclosed in Section 4.3). None of the foregoing Persons has any direct or indirect interest in any competitor, supplier or customer of Promark or in any Person from whom or to whom Promark leases any property or transacts business of any nature.

5.14 Contracts. Schedule 5.14 is a true, complete and accurate list of all written Contracts executed by an officer or duly authorized employee of Promark or to which Promark is a party which either:

(a) involving more than $10,000, or

(b) in the nature of a collective bargaining agreement, employment agreement, or severance agreement with any of its directors, officers and employees.

Except as disclosed in Schedule 5.14: (i) Promark has fully complied with all material terms of the Promark Contracts; (ii) to the Knowledge of Promark, other parties to the Promark Contracts have fully complied with the terms of the Promark Contracts; and (iii) there are no disputes or complaints with respect to, nor has Promark received any written notices that any other party, to the Promark Contracts is terminating, intends to terminate or is considering terminating, any of the Promark Contracts listed or required to be listed in Schedule 5.14.

5.15 Litigation.

(a) Except as set forth in Schedule 5.15(a), there is no pending or, to the Knowledge of Promark, threatened Proceeding:

(i) by or against Promark or that otherwise relates to or may affect the Business which, if adversely determined, would have a Material Adverse Effect; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the Merger.

(b) There is no material Order to which Promark or the Business is subject.

(c) To the Knowledge of Promark, no officer, director, agent or employee of Promark (i) is subject to any Order that prohibits such officer, director, agent or employee from engaging in or continuing any conduct, activity or practice relating to the Business or (ii) is or has been the subject of any action, suit, proceeding or order involving a claim of violation of or liability under federal or state securities laws.

5.16 Employee Benefits.

(a) Schedule 5.16 lists all material (i) Employee Benefit Plans of Promark, (ii) bonus, stock option, stock purchase, stock appreciation right, incentive, deferred compensation, supplemental retirement, severance, and fringe benefit plans, programs, policies or arrangements, and (iii) employment or consulting agreements, for the benefit of, or relating to, any current or former employee (or any beneficiary thereof) of Promark, in the case of a plan described in (i) or (ii) above, that is currently maintained by Promark or with respect to which Promark has an obligation to contribute, and in the case of an agreement described in (iii) above, that is currently in effect (the "**Promark Employee Plans**"). Promark has heretofore made available to Parent true and complete copies of the Promark Employee Plans and any amendments thereto, any related trust, insurance contract, summary plan description, and, to the extent required under ERISA or the Code, the most recent annual report on Form 5500 and summaries of material modifications.

(b) No Promark Employee Plan is (1) a "multiemployer plan" within the meaning of Sections 3(37) or 4001(a)(3) of ERISA, (2) a "multiple employer plan" within the meaning of Section 3(40) of ERISA or Section 413(c) of the Code, or (3) is subject to Title IV of ERISA or Section 412 of the Code.

(c) There is no Proceeding pending or, to the Knowledge of Promark, threatened against the assets of any Promark Employee Plan or, with respect to any Promark Employee Plan, against Promark other than Proceedings that would not reasonably be expected to result in a Material Adverse Effect, and, to the Knowledge of Promark, there is no Proceeding pending or threatened in writing against any fiduciary of any Promark Employee Plan other than Proceedings that would not reasonably be expected to result in a Material Adverse Effect.

(d) Each of the Promark Employee Plans has been operated and administered in all material respects in accordance with its terms and applicable law, including, but not limited to, ERISA and the Code.

(e) Each of the Promark Employee Plans that is intended to be "qualified" within the meaning of Section 401(a) of the Code has received a favorable determination, notification, or opinion letter from the IRS.

(f) No director, officer, or employee of Promark will become entitled to retirement, severance or similar benefits or to enhanced or accelerated benefits (including any acceleration of vesting or lapsing of restrictions with respect to equity-based awards) under any Promark Employee Plan solely as a result of consummation of the Merger.

5.17 Insurance. There is in full force and effect one or more policies of insurance issued by insurers of recognized responsibility, insuring Promark and its properties and business against such losses and risks, and in such amounts, as are customary for corporations of established reputation engaged in the same or similar business and similarly situated.

5.18 Employees. Promark has complied in all material respects with all laws relating to the employment of labor, and Promark has encountered no material labor union difficulties. Other than pursuant to ordinary arrangements of employment compensation, Promark is not under any obligation or liability to any officer, director or employee of Promark.

5.19 Labor Relations. Promark is not a party to any collective bargaining or similar agreement. To the Knowledge of Promark, there are no strikes, work stoppages, unfair labor practice charges or grievances pending or threatened against Promark by any employee of Promark or any other Person or entity. Promark believes that its relationship with its employees is good.

5.20 Legal Compliance. Promark, Promark is in material compliance with all Applicable Laws (including rules and regulations thereunder) of any Governmental Bodies having jurisdiction over Promark, including any requirements relating to antitrust, consumer protection, currency exchange, equal opportunity, health, occupational safety, pension and securities matters.

5.21 Brokers' Fees. Promark has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the Merger for which Promark, Parent or Merger Sub could become liable or obligated.

5.22 Undisclosed Liabilities. Promark has no liability (and to the Knowledge of Promark, there is no basis for any present or future Proceeding, charge, complaint, claim, or demand against any of them giving rise to any liability), except for

(i) liabilities reflected or reserved against in the Promark Balance Sheet; or

(ii) liabilities which have arisen in the Ordinary Course of Business since the date of the Promark Balance Sheet.

5.23 Disclosure. The representations and warranties of Promark contained in this Agreement or in any Exhibits hereto do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained herein or in such Exhibits not misleading.

ARTICLE VI. [RESERVED]

ARTICLE VII. REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Each of Parent and Merger Sub, jointly and severally, makes the following representations and warranties as of the Agreement Date and through and including the Closing Date:

7.1 Representations of Parent Concerning the Transaction.

(a) Organization and Good Standing.

(i) Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada.

(ii) Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Merger Sub's authorized capital consists of 100 shares of common stock, par value $0.001 per share, all of which shares are issued and registered in the name of Parent.

(b) Authorization of Transaction. Each of Parent and Merger Sub has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. At the Effective Time, this Agreement shall be duly and validly authorized by all necessary action on the part of each of Parent and Merger Sub in accordance with Applicable Laws and the Governing Documents of each. This Agreement has been duly executed and delivered by each of Parent and Merger Sub, and shall constitute the valid and binding agreement of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms, subject to: (a) applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforceability of creditors' rights generally; (b) general equitable principles; and (c) the discretion of courts in granting equitable remedies. Other than filing the appropriate Certificate of Merger, neither Parent nor Merger Sub needs to give any notice to, make any filing with, or obtain any Consent of, any Governmental Body in order to consummate the Merger. Each of the Board of Directors of Parent and the Board of Directors of Merger Sub has duly and validly authorized the execution and delivery of this Agreement and approved the consummation of the transactions contemplated hereby, and has taken all corporate actions required to be taken by the Board of Directors of Parent and the Board of Directors of Merger Sub for the consummation of the Merger.

(c) Capitalization of Parent. The entire authorized capital stock of Parent consists of one hundred million (100,000,000) shares of common stock having (i) a par value of $0.0001 per share, of which 2,000,000 shares are issued and outstanding, and (ii) 10,000,000 shares of preferred stock having a par value of $0.0001 per share, none of which is issued and outstanding. All issued and outstanding shares of Parent Common Stock have been duly authorized, are validly issued, fully paid and non-assessable. There are no outstanding or authorized options, warrants, rights, contracts, calls, puts, rights to subscribe, conversion rights or other agreements or commitments to which Parent is a party or which are binding upon Parent providing for the issuance, disposition or acquisition of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, or similar rights with respect to Parent.

(d) Noncontravention. Neither the execution and delivery of this Agreement, nor consummation of the Merger, will:

(i) violate any Applicable Law, Order, stipulation, charge or other restriction of any Governmental Body to which Parent or Merger Sub is subject or any provision of the Governing Documents of Parent or Merger Sub; or

(ii) conflict with, result in a Breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest, or other arrangement to which Parent or Merger Sub is a party or by which either of them is bound or to which any of their assets are subject (or result in the imposition of any Security Interest upon any of its assets), except where the violation, conflict, Breach, default, acceleration, termination, modification, cancellation, failure to give notice, or Security Interest would not have a Material Adverse Effect on the financial condition of Parent or Merger Sub or on the ability of the Parties to consummate the Merger.

(e) Affiliate Transactions. No officer, director, or employee of Parent or Merger Sub or any member of the immediate family of any such officer, director or employee, or any entity in which any of such persons owns any beneficial interest (other than any publicly-held corporation whose stock is traded on a national securities exchange or in the over-the-counter market and less than one percent (1%) of the stock of which is beneficially owned by any of such Persons), has any agreement with Parent or any interest in any of their property of any nature, used in or pertaining to the business of Parent or Merger Sub, other than the ownership of common stock in Parent. None of the foregoing Persons has any direct or indirect interest in any competitor, supplier or customer of Parent or Merger Sub or in any Person from whom or to whom Parent or Merger Sub leases any property or transacts business of any nature.

(f) Parent Financial Information. The balance sheets, and statements of income, changes in financial position and stockholders' equity contained in the Parent SEC Documents (the "**Parent Financial Statements**") (i) have been prepared in accordance with GAAP applied on a basis consistent with prior periods (and, in the case of unaudited financial information, on a basis consistent with year-end audits), (ii) are in accordance with the books and records of the Parent, and (iii) present fairly in all material respects the financial condition of the Parent at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified.

(g) Events Subsequent. Since December 31, 2011, there has not been, occurred or arisen, with respect to Parent:

(i) any change or amendment in its Governing Documents;

(ii) any reclassification, split up or other change in, or amendment of or modification to, the rights of the holders of any of its capital stock;

(iii) any direct or indirect redemption, purchase or acquisition by any Person of any of its capital stock or of any interest in or right to acquire any such stock;

(iv) any issuance, sale, or other disposition of any capital stock, or any grant of any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise) any capital stock;

(v) any declaration, set aside, or payment of any dividend or any distribution with respect to its capital stock (whether in cash or in kind) or any redemption, purchase, or other acquisition of any of its capital stock;

(vi) the organization of any Subsidiary (other than the Merger Sub) or the acquisition of any shares of capital stock by any Person or any equity or ownership interest in any business;

(vii) any damage, destruction or loss of any of the its properties or assets whether or not covered by insurance;

(viii) any sale, lease, transfer, or assignment of any of its assets, tangible or intangible, other than for a fair consideration in the Ordinary Course of Business;

(ix) the execution of, or any other commitment to any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) outside the Ordinary Course of Business;

(x) any acceleration, termination, modification, or cancellation of any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses), involving more than $10,000 to which it is a party or by which it is bound;

(xi) any Security Interest or Encumbrance imposed upon any of its assets, tangible or intangible;

(xii) any grant of any license or sublicense of any rights under or with respect to any Parent Intellectual Property;

(xiii) any sale, assignment or transfer (including transfers to any employees, affiliates or shareholders) of any Parent Intellectual Property;

(xiv) any capital expenditure (or series of related capital expenditures) involving more than $10,000 and outside the Ordinary Course of Business;

(xv) any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans, and acquisitions) involving more than $10,000 and outside the Ordinary Course of Business;

(xvi) any issuance of any note, bond, or other debt security or created, incurred, assumed, or guaranteed any indebtedness for borrowed money or capitalized lease obligation involving more than $10,000;

(xvii) any delay or postponement of the payment of accounts payable or other liabilities;

(xviii) any cancellation, compromise, waiver, or release of any right or claim (or series of related rights and claims) involving more than $10,000 and outside the Ordinary Course of Business;

(xix) any loan to, or any entrance into any other transaction with, any of its directors, officers, and employees either involving more than $500 individually or $2,500 in the aggregate;

(xx) the adoption, amendment, modification, or termination of any bonus, profit-sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, and employees (or taken away any such action with respect to any other Employee Benefit Plan);

(xxi) any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement;

(xxii) any increase in the base compensation of any of its directors, officers, and employees;

(xxiii) any charitable or other capital contribution in excess of $2,500;

(xxiv) any taking of other action or entrance into any other transaction other than in the Ordinary Course of Business, or entrance into any transaction with any insider of Parent;

(xxv) any other event or occurrence that may have or could reasonably be expected to have an Material Adverse Effect on Parent (whether or not similar to any of the foregoing); or

(xxvi) any agreement or commitment, whether in writing or otherwise, to do any of the foregoing.

(h) Tax Matters.

(i) Parent and each other Person included in any consolidated or combined Tax Return and part of an affiliated group, within the meaning of Section 1504 of the Code, of which Parent is or has been a member ("**Parent Tax Affiliate**"), for the years that it was a Parent Tax Affiliate of Parent:

(A) has timely paid or caused to be paid all Taxes required to be paid by it though the Agreement Date and as of the Closing Date (including any Taxes shown due on any Tax Return);

(B) has filed or caused to be filed in a timely and proper manner (within any applicable extension periods) all Tax Returns required to be filed by it with the appropriate Governmental Body in all jurisdictions in which such Tax Returns are required to be filed; and all tax returns filed on behalf of Parent and each Parent Tax Affiliate were completed and correct in all material respects; and

(C) has not requested or caused to be requested any extension of time within which to file any Tax Return, which Tax Return has not since been filed.

(ii) Since April 2, 2009, neither Parent nor any Parent Tax Affiliate (for the years that it was a Parent Tax Affiliate) has been notified by the Internal Revenue Service or any other Governmental Body that any issues have been raised (and no such issues are currently pending) by the IRS or any other Governmental Body in connection with any Tax Return filed by or on behalf of Parent or any Parent Tax Affiliate; there are no pending Tax audits and no waivers of statutes of limitations have been given or requested with respect to Parent or any Parent Tax Affiliate (for years that it was a Parent Tax Affiliate); no Tax liens have been filed against Parent or unresolved deficiencies or additions to Taxes have been proposed, asserted or assessed against Parent or any Parent Tax Affiliate (for the years that it was a Parent Tax Affiliate);

(iii) Parent is a C-corporation and has maintained its status as a C-corporation since its inception.

(iv) Parent is not and was not at any time since its inception a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code or the regulations issued thereunder; Parent Common Stock does not constitute a "United States real property interest" within the meaning of Sections 897(c) or 1445 of the Code or the regulations issued thereunder.

(i) Title to Assets. Each of Parent and Merger Sub has good and marketable title to, or a valid leasehold interest in, the properties and assets owned or leased and used by it to operate its Business in the manner presently operated.

(j) Real Property. Neither Parent nor Merger Sub owns or holds an ownership interest in any real property.

(k) Condition of Properties. All facilities, office equipment, fixtures and other properties owned, leased or used by each of Parent or Merger Sub are in operating condition and repair, subject to ordinary wear and tear, and are adequate and sufficient for the business of each of Parent and Merger Sub as presently conducted.

(l) Parent Intellectual Property.

(i) Each of Parent and Merger Sub owns, or is licensed or otherwise possesses legal enforceable rights to use all: (i) trademarks and service marks (registered or unregistered), trade dress, trade names and other names and slogans embodying business goodwill or indications of origin, all applications or registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith; (ii) patentable inventions, technology, computer programs and software (including password unprotected interpretive code or source code, object code, development documentation, programming tools, drawings, specifications and data) and all applications and patents in any jurisdiction pertaining to the foregoing, including reissues, continuations, divisions, continuations-in-part, renewals or extensions; (iii) trade secrets, including confidential and other non-public information (iv) copyrights in writings, designs, software programs, mask works or other works, applications or registrations in any jurisdiction for the foregoing and all moral rights related thereto; (v) databases and all database rights; and (vi) Internet Web sites, domain names and applications and registrations pertaining thereto (collectively, "**Parent Intellectual Property**") that are used in the business of Parent or Merger Sub except for any such failures to own, be licensed or process that would not be reasonably likely to have a Material Adverse Effect.

(ii) Except as may be evidenced by patents issued after the Agreement Date, there are no conflicts with or infringements of any material Parent Intellectual Property by any Third Party and the conduct of the business of Parent and Merger Sub as currently conducted does not conflict with or infringe any proprietary right of a Third Party.

(iii) Parent owns or has the right to use all software currently used in and material to the Parent Business.

(m) SEC Reports and Financial Statements.

(i) Parent has filed with the SEC all reports and other filings required to be filed by Parent in accordance with the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder (the "**Parent SEC Reports**"). As of their respective dates, Parent SEC Reports complied with the applicable requirements of the Securities Act, the Exchange Act and the respective rules and regulations promulgated thereunder applicable to such Parent SEC Reports and, except to the extent that information contained in any Parent SEC Report has been revised or superseded by a later Parent SEC Report filed and publicly available prior to the date of this Agreement, none of the Parent SEC Reports contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of Parent included in Parent SEC Reports were prepared from and are in accordance with the accounting books and other financial records of Parent, were prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by the rules of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and presented fairly the consolidated financial position of Parent and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in Parent SEC Reports, Parent has no liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) other than liabilities or obligations incurred in the Ordinary Course of Business.

(ii) Parent has not filed, and nothing has occurred with respect to which Parent would be required to file, any report on Form 8-K since the last filing of a Parent SEC Report.

(iii) Parent is not an investment company within the meaning of Section 3 of the Investment Company Act of 1940, as amended.

(iv) Between the date hereof and the Closing Date, Parent shall continue to satisfy the filing requirements of the Exchange Act and all other requirements of applicable securities laws and rules.

(v) The Parent SEC Reports include all certifications and statements required of it, if any, by (i) Rule 13a-14 or 15d-14 under the Exchange Act, and (ii) 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002), and each of such certifications and statements contain no qualifications or exceptions to matters certified therein other than knowledge qualification, permitted under such provision, and have not been modified or withdrawn and neither Parent nor any of its officers has received any notice from the SEC or any other governmental entity questioning or challenging the accuracy, completeness, form or manner of filing or submission of such certifications or statements.

(vi) Parent has otherwise complied with the Securities Act, Exchange Act and all other applicable federal and state securities laws.

(n) Parent Contracts. The Parent SEC Reports contain true and accurate copies of all agreements required to be filed as material contracts under Item 601(b)(10) of Regulation S-K under the Securities Act and the Exchange Act (the "**Parent Material Contracts**"). To the Knowledge of Parent, no party to any Parent Material Contract has a claim against Parent in respect of any breach or default thereunder.

(o) Litigation. Except as disclosed in the Parent SEC Reports, there is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the Knowledge of Parent, threatened against or affecting the Parent or Merger Sub or their properties, assets or business. Neither Parent nor Merger Sub is in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority.

(p) Employee Benefits.

(i) Except as disclosed in the Parent SEC Reports, there are no "employee benefit plans" (within the meaning of Section 3(3) of ERISA) nor any other employee benefit or fringe benefit arrangements, practices, contracts, policies or programs other than programs merely involving the regular payment of wages, commissions, or bonuses established, maintained or contributed to by Parent. Any plans listed in the Parent SEC Reports are hereinafter referred to as the "**Parent Employee Benefit Plans**."

(ii) Any current or prior material documents, including all amendments thereto, with respect to each Parent Employee Benefit Plan have been given to United or its advisers.

(iii) All Parent Employee Benefit Plans are in material compliance with the applicable requirements of ERISA, the Code and any other applicable state, federal or foreign law.

(iv) There are no pending claims or lawsuits which have been asserted or instituted against any Parent Employee Benefit Plan, the assets of any of the trusts or funds under the Parent Employee Benefit Plans, the plan sponsor or the plan administrator of any of the Employee Benefit Plans or against any fiduciary of a Parent Employee Benefit Plan with respect to the operation of such plan, nor does Parent have any Knowledge of any incident, transaction, occurrence or circumstance which might reasonably be expected to form the basis of any such claim or lawsuit.

(v) There is no pending or, to the Knowledge of Parent, contemplated investigation, or pending or possible enforcement action by the Pension Benefit Guaranty Corporation, the Department of Labor, the Internal Revenue Service or any other government agency with respect to any Parent Employee Benefit Plan and Parent has no Knowledge of any incident, transaction, occurrence or circumstance which might reasonably be expected to trigger such an investigation or enforcement action.

(vi) No actual or, to the Knowledge of Parent, contingent liability exists with respect to the funding of any Parent Employee Benefit Plan or for any other expense or obligation of any Parent Employee Benefit Plan, except as disclosed on the financial statements of Parent, and no actual or contingent liability exists under ERISA with respect to any pension plan subject to Code Section 412 or Title IV of ERISA or "multi-employer plan," as defined in Section 3(37) or Section 4001(a)(3) of ERISA.

(q) Insurance. Except as set forth on Schedule 7.1(q), there is in full force and effect one or more policies of insurance issued by insurers of recognized responsibility, insuring Parent and its properties and business against such losses and risks, and in such amounts, as are customary for corporations of established reputation engaged in the same or similar business and similarly situated.

(r) Legal Compliance. Parent and Merger Sub are in material compliance with all Applicable Laws of any Governmental Bodies having jurisdiction over Parent, including any requirements relating to antitrust, consumer protection, currency exchange, equal opportunity, health, occupational safety, pension and securities matters.

(s) Brokers' Fees. Neither Parent nor Merger Sub has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the Merger for which Parent, Merger Sub or United could become liable or obligated.

(t) Undisclosed Liabilities. Neither Parent nor Merger Sub has any liability (and to the Knowledge of Parent, there is no basis for any present or future Proceeding, charge, complaint, claim, or demand against any of them giving rise to any liability), except for

(i) liabilities reflected or reserved against in the Parent Financial Statements; or

(ii) liabilities which have arisen in the Ordinary Course of Business since December 31, 2011.

(u) Disclosure. The representations and warranties of Parent and Merger Sub contained in this Agreement or in any Exhibits hereto do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements and information contained herein or in such Exhibits not misleading.

7.2 No Subsidiaries. Merger Sub does not own stock in and does not control, directly or indirectly, any other corporation, association or business organization. Merger Sub is not a party to any joint venture or partnership.

7.3 Merger Sub Common Stock. Parent owns, beneficially and of record, all of the issued and outstanding shares of common stock, par value $0.001 per share, of Merger Sub (the "**Merger Sub Common Stock**"), all which Merger Sub Common Stock is validly issued and outstanding, fully paid and non-assessable, free and clear of all liens and encumbrances. Parent has the corporate power to vote such shares of Merger Sub Common Stock pursuant to this Agreement. Parent has, or will by the Effective Time have, taken all such actions as may be required in its capacity as the sole stockholder of Merger Sub to approve the Merger.

ARTICLE VIII. ACCESS TO INFORMATION AND DOCUMENTS.

8.1 Access to Information. Between Agreement Date and the Closing Date, each Party will give to the others and their counsel, accountants and other representatives full access to all the properties, documents, contracts, personnel files and other records and shall furnish copies of such documents and with such information with respect to its affairs as may from time to time be reasonably requested. Each Party will disclose to the others and make available to each such Party and its representatives all books, contracts, accounts, personnel records, letters of intent, papers, records, communications with regulatory authorities and other documents relating to the business and operations of United, Merger Sub, Parent, or Promark as the case may be. In addition, United and Promark shall make available to Parent all such banking, investment and financial information as shall be necessary to allow for the efficient integration of United's and Promark's banking, investment and financial arrangements with those of Parent at the Effective Time. Access of Parent pursuant to the foregoing shall be granted at a reasonable time and upon reasonable notice.

8.2 Effect of Access.

(a) Nothing contained in this Article VIII shall be deemed to create any duty or responsibility on the part of any Party to investigate or evaluate the value, validity or enforceability of any Contract or other asset included in the assets of another Party.

(b) With respect to matters as to which any Party has made express representations or warranties herein, the Parties shall be entitled to rely upon such express representations and warranties irrespective of any investigations made by such Parties, except to the extent that such investigations result in actual knowledge of the inaccuracy or falsehood of particular representations and warranties.

ARTICLE IX. COVENANTS.

9.1 Current Information. During the period from the Agreement Date to the Effective Time, each Party hereto shall promptly notify each other Party of any (i) significant change in the normal course of business or operations of the Business or the business of Parent and Merger Sub, (ii) Proceeding (or communications indicating that the same may be contemplated), or the institution or threat or settlement of Proceedings, in each case involving the Parties the outcome of which, if adversely determined, could reasonably be expected to have a Material Adverse Effect on the Party, taken as a whole or (iii) event which such Party reasonably believes could be expected to have a Material Adverse Effect on the ability of any party hereto to consummate the Merger. United and Promark shall notify Parent of any breach of any representation or warranty of Parent or Merger Sub of which United or Promark has Knowledge prior to the Closing. Parent shall notify United and Promark of any breach of any representation or warranty of United or Promark of which Parent has Knowledge prior to the Closing.

9.2 Public Disclosures. The Parties will consult with each other before issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation except as may be required by Applicable Law. The Parties shall issue a joint press release, mutually acceptable to United and Parent, promptly upon execution and delivery of this Agreement.

9.3 Confidentiality. Each Party shall hold, and shall use its best efforts to cause its respective auditors, attorneys, financial advisors, bankers and other consultants and advisors to hold, in strict confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all Confidential Information of its other Parties. No Party shall release or disclose such Confidential Information to any other Person, except its auditors, attorneys, financial advisors, bankers and other consultants and advisors in connection with the transactions contemplated by this Agreement.

9.4 Other Actions. None of United, Promark, Parent, Merger Sub shall knowingly or intentionally take any action, or omit to take any action, if such action or omission would, or reasonably might be expected to, result in any of its representations and warranties set forth herein being or becoming untrue in any material respect, or in any of the conditions to the Merger set forth in this Agreement not being satisfied, or delay the Effective Time or (unless such action is required by Applicable Law) which would have a Material Adverse Effect on the ability of United or Parent to obtain any Consents required for the consummation of the Merger without imposition of a condition or restriction which would have a Material Adverse Effect on the Surviving Corporation or which would otherwise materially impair the ability of United or Parent to consummate the Merger in accordance with the terms of this Agreement or materially delay such consummation. Without limiting the generality of the foregoing, United shall use its Best Efforts to obtain all Consents required of Third Parties in respect of the Merger under all material Contracts to which United is a party, including without limitation lessor consents under the lease of United's corporate headquarters.

9.5 Cooperation.

(a) Parent, Merger Sub, United, and Promark shall together or pursuant to an allocation of responsibility agreed to between them, (i) cooperate with one another in determining whether any filings are required to be made or consents are required to be obtained in any jurisdiction prior to the Effective Time in connection with the consummation of the Merger and cooperate in making any such filings promptly and in seeking to obtain timely any such Consents, (ii) use their respective commercially reasonable efforts to cause to be lifted any impediment preventing consummation of the Merger, or any part thereof, or the other transactions contemplated hereby, and (iii) furnish to one another and to one another's counsel all such information as may be required to affect the foregoing actions.

(b) Subject to the terms and conditions herein provided, and unless this Agreement shall have been validly terminated as provided herein, each of Parent, Merger Sub, United, and Promark shall use all reasonable efforts (i) to take, or cause to be taken, all actions necessary to comply promptly with all legal requirements which may be imposed on such party (or any subsidiaries or affiliates of such party) with respect to this Agreement and to consummate the Merger, subject to the vote of its stockholders, and (ii) to obtain (and to cooperate with the other party to obtain) any Consent by any Governmental Body and/or any Third Party which is required to be obtained or made by such Party or any of its Affiliates in connection with this Agreement and the Merger. Each of Parent, United, and Promark will promptly cooperate with and furnish information to the other in connection with any such burden suffered by, or requirement imposed upon, either of them or any of their Affiliates in connection with the foregoing.

9.6 Notice of Subsequent Events. Each Party shall notify each other Party of any changes, additions or events of which any of them has or obtains Knowledge as to which it concludes or reasonably should conclude would cause any material change in or material addition to any Disclosure Schedule delivered by any Party under this Agreement or otherwise would, in the reasonable judgment of the notifying Party, likely result in a breach of this Agreement prior to the Closing Date, promptly after the occurrence of the same.

9.7 Filing of SEC Reports. Parent shall prepare and file all Parent SEC Reports with the SEC on a timely basis and in full compliance with all SEC rules and regulations. In the event that the SEC issues any comments regarding a Parent SEC Report, then Parent will use its Best Efforts to address and respond to such comments in a complete manner as soon as reasonably practicable.

ARTICLE X. CONDITIONS TO CLOSING.

10.1 Mutual Conditions. The respective obligations of each party to effect the Merger shall be subject to the satisfaction, at or prior to the Closing Date, of the following conditions (any of which may be waived in writing by Parent, Merger Sub and United):

(a) None of Parent, Merger Sub, United or Promark shall be subject to any Order by a court of competent jurisdiction which (i) prevents or materially delays the consummation of the Merger or (ii) would impose any material limitation on the ability of Parent effectively to exercise full rights of ownership of the common stock of the Surviving Corporation or any material portion of the assets or Business, taken as a whole.

(b) No statute, rule or regulation, shall have been enacted by any Governmental Body that makes the consummation of the Merger illegal.

(c) Parent, Merger Sub and United shall have received all Consents of Third Parties that are required of such Third Parties prior to the consummation of the Merger, in form and substance acceptable to Parent or United, as the case may be, except where the failure to obtain such consent, approval or authorization would not have a Material Adverse Effect on the Surviving Corporation.

10.2 Conditions to the Obligations of Parent and Merger Sub. The obligations of Parent and Merger Sub under this Agreement are subject to the satisfaction, at or before the Closing, of each of the following conditions:

(a) The representations and warranties of United and Promark contained herein that are qualified as to materiality shall be true in all respects on and as of the Closing Date with the same force and effect as though made on and as of such date, and each of the representations and warranties of United and Promark that are not so qualified shall be true in all material respects.

(b) United and Promark shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions required by this Agreement to be performed or complied with by United and Promark at or prior to the Closing.

(c) There shall not be threatened, instituted or pending any Proceeding by or before any court or Governmental Body requesting or looking toward an Order that (a) restrains or prohibits the consummation of the Merger, (b) could have a Material Adverse Effect on Parent's ability to exercise control over or manage United and Promark after the Closing or (c) could have a Material Adverse Effect on United or Promark.

(d) On the Closing Date, there shall be no effective Order issued by a court of competent jurisdiction restraining or prohibiting the consummation of the Merger.

(e) United and Promark shall have delivered to Parent a certificate, dated the Closing Date, executed by a duly authorized officer of United and Promark certifying the fulfillment of the conditions specified in Sections 10.2(a), (b) and (c).

(f) Each of United and Promark shall have delivered to Parent and Merger Sub a certificate, dated the Closing Date, executed by its Secretary, certifying as to (i) its Governing Documents, (ii) resolutions with respect to the Merger adopted by its board of directors and shareholders attached thereto, and (iii) incumbency and signatures of the persons who have executed this Agreement and any other documents, certificates and agreements to be executed and delivered at the Closing pursuant to this Agreement.

(g) All documents to be delivered by United and Promark to Parent and Merger Sub at the Closing shall be satisfactory in form and substance to Parent and Merger Sub.

(h) All Consents of all Third Parties and Governmental Bodies shall have been obtained that are necessary, in the opinion of Parent counsel, in connection with (a) the execution and delivery by United and Promark or (b) the consummation by United of the Merger, and copies of all such Consents shall have been delivered to Parent.

10.3 Conditions to the Obligations of United and Promark. The obligations of United and Promark under this Agreement are subject to the satisfaction, at or before the Closing, of each of the following conditions:

(a) The representations and warranties of Parent and Merger Sub contained herein that are qualified as to materiality shall be true in all respects on and as of the Closing Date (except for the representations and warranties made as of a specific date which shall be true in all material respects as of such date) with the same force and effect as though made on and as of such date, and each of the representations and warranties of Parent and Merger Sub that are not so qualified shall be true in all material respects.

(b) Parent and Merger Sub shall have performed and complied in all material respects with all covenants, agreements, obligations and conditions required by this Agreement to be so performed or complied with by Parent and Merger Sub at or prior to the Closing.

(c) There shall not be threatened, instituted or pending any Proceeding by or before any court or Governmental Body requesting or looking toward an Order, that (a) restrains or prohibits the consummation of the Merger or (b) could reasonably be expected to have a Material Adverse Effect on Parent or Merger Sub.

(d) On the Closing Date, there shall be no effective Order issued by a court of competent jurisdiction restraining or prohibiting the consummation of the Merger.

(e) Parent and Merger Sub shall have delivered to United and Promark a certificate, dated the Closing Date, executed by a duly authorized officer of Parent and Merger Sub, certifying to the fulfillment of the conditions specified in Sections 10.3(a), (b) and (c).

(f) Parent and Merger Sub shall have delivered to United and Promark a certificate, dated Closing Date, executed by the Secretary of Parent, certifying as to (i) Parent and Merger Sub's Governing Documents, (ii) resolutions with respect to the Merger adopted by Parent's and Merger Sub's respective boards of directors and Merger Sub's shareholder attached thereto, and (iii) incumbency and signatures of the persons who have executed this Agreement and any other documents, certificates and agreements to be executed and delivered at the Closing pursuant to this Agreement.

(g) All documents to be delivered by Parent and Merger Sub to United at the Closing shall be satisfactory in form and substance to United and Promark.

(h) All Consents of all Third Parties and Governmental Bodies shall have been obtained that are necessary, in the opinion of counsel to United, in connection with (a) the execution and delivery by Parent and Merger Sub of this Agreement, and (b) the consummation by Parent and Merger Sub of the transactions contemplated hereby or thereby, and copies of all such Consents shall have been delivered to United.

(i) Parent shall deliver, or cause to be delivered, to United, to Promark, and to certain employees of Parent and Promark, as the case may be, employment agreements in the forms attached hereto as Exhibits 3A, 3B, 3C and 3D, duly executed by Parent or by Promark, as the case may be.

(j) Parent shall have satisfied all outstanding liabilities set forth on Schedule 10.3(j), and evidence of such satisfaction shall have been delivered to United and Promark in form and substance acceptable to United.

ARTICLE XI. TERMINATION, AMENDMENT AND WAIVER.

11.1 Termination. This Agreement may be terminated at any time prior to the Effective Time:

(a) by mutual written consent of Parent, Merger Sub and United;

(b) by Parent, Merger Sub, United or Promark:

(i) if the Merger shall not have been consummated on or before April 20, 2012, unless the failure to consummate the Merger is the result of a willful and material Breach of this Agreement by the Party seeking to terminate this Agreement;

(ii) if any court of competent jurisdiction or other Governmental Body shall have issued an Order or taken any other action permanently enjoining, restraining or otherwise prohibiting the Merger and such order, decree, ruling or other action shall have become final and non-appealable;

(iii) in the event of a Breach by the other Party of any representation, warranty, covenant or other agreement contained in this Agreement which cannot be or has not been cured within thirty (30) days after the giving of written notice to the breaching Party of such Breach (provided that the terminating Party is not then in Breach of any representation, warranty, covenant or other agreement contained in this Agreement);

(iv) in the event that (i) all of the conditions to the obligation of such Party to effect the Merger set forth in Section 10.1 shall have been satisfied and (ii) any condition to the obligation of such Party to effect the Merger set forth in Section 10.2 (in the case of Parent or Merger Sub) or Section 10.3 (in the case of United and Promark) is not capable of being satisfied prior to April 20, 2012; or

(v) if there shall have occurred prior to the Effective Time changes in Applicable Law that, in the aggregate, shall have a Material Adverse Effect on United or Parent.

11.2 Effect of Termination. In the event of termination of this Agreement as provided in Section 11.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of any Party except to the extent that such termination results from the willful and material Breach by a Party of any of its representations, warranties, covenants or other agreements set forth in this Agreement, in which case the terminating Party shall have the right to pursue any remedies available to it at law or in equity.

11.3 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties.

11.4 Extension; Waiver. At any time prior to the Effective Time, the Parties may (i) extend the time for the performance of any of the obligations or other acts of the other Parties, (ii) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement or (iii) waive compliance with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

11.5 Procedure for Termination, Amendment Extension or Waiver. A termination of this Agreement pursuant to Section 11.1, an amendment of this Agreement pursuant to Section 11.3, or an extension or waiver pursuant to Section 11.4 shall, in order to be effective, require in the case of Parent, Merger Sub or United, action by its Board of Directors or the duly authorized designee of the Board of Directors.

ARTICLE XII. MISCELLANEOUS.

12.1 Notices. Any communications required or desired to be given hereunder shall be deemed to have been properly given if sent by hand delivery or by facsimile and overnight courier or overnight courier to the parties hereto at the following addresses, or at such other address as either party may advise the other in writing from time to time:

If to Parent or Merger Sub:
Sand Hills, Inc.
25 Sunrise Point
Irmo, SC 29063

with a copy (which shall not constitute notice) to:
Ruffa & Ruffa, P.C.
110 East 59th Street
New York, NY 10022
Attention: William P. Ruffa
Telephone: (212) 355-0606
Facsimile: (877) 329-7833

If to United or Promark:
Promark Technology, Inc.
10900 Pump House Road, Suite B
Annapolis Junction, Maryland 20701-1203
Attention: Dale Foster, CEO
Telephone: (240) 280-8030 x209
Facsimile: (301) 725-7869
Email: dalef@promarktech.com

with a copy (which shall not constitute notice) to:
Venable LLP
750 E. Pratt Street
Baltimore, Maryland 21202
Attention: W. Bryan Rakes, Esquire
Telephone: (410) 528-2303
Facsimile: (410) 244-7742
Email: wbrakes@venable.com

All such communications shall be deemed to have been delivered on the date of hand delivery or facsimile or on the next Business Day following the deposit of such communications with the overnight courier.

12.2 Further Assurances. Each Party hereby agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

12.3 Governing Law; Venue.

(a) This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Delaware, applied without giving effect to any conflicts of law principles.

(b) To the extent that a Party hereto has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, such Party hereby irrevocably waives such immunity in respect of its obligations pursuant to this Agreement.

(c) Each Party hereby irrevocably submits to the jurisdiction of any federal court located in the State of Maryland (and any appellate court therefrom) over any action or proceeding arising out of or relating to this Agreement brought by Parent or Merger Sub. Each Party hereby irrevocably submits to the jurisdiction of the United States District Court for the District of Maryland, Baltimore Division (and any appellate court therefrom) over any action or proceeding arising out of or relating to this Agreement brought by United or Promark. Each Party hereby irrevocably and unconditionally waives and agrees not to plead, to the fullest extent provided by law, any objection it may have to venue and the defense of an inconvenient forum to the maintenance of such action or proceeding in such courts.

12.4 WAIVER OF JURY TRIAL.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION OR AGREEMENT CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY HERETO IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

12.5 No Third Parties Benefitted. This Agreement is made and entered into for the sole protection and benefit of the parties hereto, their successors, assigns and heirs, and no other Person shall have any right or action under this Agreement.

12.6 Captions. The captions or headings in this Agreement are made for convenience and general reference only and shall not be construed to describe, define or limit the scope or intent of the provisions of this Agreement.

12.7 Integration of Exhibits and Disclosure Schedules. All Exhibits and Disclosure Schedules to this Agreement are integral parts of this Agreement as if fully set forth herein.

12.8 Entire Agreement. This Agreement, including all Exhibits and Disclosure Schedules attached hereto and thereto contain the entire agreement of the parties and supersede any and all prior or contemporaneous agreements between the parties, written or oral, with respect to the transactions contemplated hereby. This Agreement may not be changed or terminated orally, but may only be changed by an agreement in writing signed by the party or parties against whom enforcement of any waiver, change, modification, extension, discharge or termination is sought.

12.9 Expenses. Except as expressly provided otherwise, each party hereto will bear its own costs and expenses (including fees and expenses of auditors, attorneys, financial advisors, bankers, brokers and other consultants and advisors) incurred in connection with this Agreement and the transactions contemplated hereby.

12.10 Counterparts. This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute and be one and the same instrument.

12.11 Binding Effect. This Agreement shall be binding on, and shall inure to the benefit of, the Parties hereto, and their respective successors and assigns, and no other person, including any Person that may claim to be a third party beneficiary, shall acquire or have any right under or by virtue of this Agreement. No Party may assign any right or obligation hereunder without the prior written consent of the other Parties.

12.12 No Rule of Construction. The Parties agree that, because all Parties participated in negotiating and drafting this Agreement, no rule of construction shall apply to this Agreement which construes ambiguous language in favor of or against any Party by reason of that Party's role in drafting this Agreement.

(SIGNATURES FOLLOW BEGINNING ON THE NEXT PAGE)

IN WITNESS WHEREOF, United, Promark, Parent, and Merger Sub have caused this Agreement to be executed by their respective duly authorized officers, all as of the Agreement Date.

UNITED:

UNITED STRATEGIES, INC.,
a Delaware corporation

By: /s/ Dale Foster
Dale Foster, CEO

PROMARK:

PROMARK TECHNOLOGY, INC.,
a Maryland corporation

By: /s/ Dale Foster
Dale Foster, CEO

PARENT:

SAND HILLS, INC.,
a Nevada corporation

By: /s/ Edmund R. Selby
Edmund R. Selby, President

MERGER SUB:

PROMARK ACQUISITION CORPORATION
a Delaware corporation

By: /s/ Edmund R. Selby
Edmund R. Selby, President of Sand Hills, Inc., Sole Stockholder

SCHEDULE OF EXHIBITS

Exhibit 1 Disclosure Schedules
Exhibit 2 Parent 2012 Omnibus Stock Plan
Exhibit 3A-D Employment Agreements

SAND HILLS, INC.

2012 OMNIBUS STOCK PLAN

Effective: March 30, 2012

TABLE OF CONTENTS

SAND HILLS, INC.
2012 OMNIBUS STOCK PLAN

1. Establishment, Purpose and Types of Awards

Sand Hills, Inc., a Nevada corporation (the "Company") hereby establishes the Sand Hills, Inc. 2012 Omnibus Stock Plan (the "Plan"). The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing incentives to improve stockholder value and to contribute to the growth and financial success of the Company, and (ii) enabling the Company to attract, retain and reward the best available persons for positions of substantial responsibility.

The Plan permits the granting of Awards in the form of Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Phantom Stock, and Performance Awards, in each case as such term is defined below, and any combination of the foregoing.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) *"Affiliate"* shall mean any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own directly or indirectly not less than fifty percent (50%) of such entity.

(b) *"Assumed Options"* mean stock options issued under the Terminated Plan which were outstanding at closing of the Merger Agreement and cancelled and exchanged for substitute stock options issued under the Plan pursuant to the Merger Agreement.

(c) *"Awards"* shall mean Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Phantom Stock, and Performance Awards, and any combination of the foregoing.

(d) *"Board"* shall mean the Board of Directors of the Company.

(e) *"Change in Control"* shall mean:

(i) The consummation of an amalgamation, merger or consolidation of the Company with or into another entity or any other corporate reorganization of the Company, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such amalgamation, merger, consolidation or other reorganization (or, if applicable, more than fifty percent (50%) of the combined voting power of the ultimate parent company that directly or indirectly has beneficial ownership of the securities of such continuing or surviving entity) is not owned directly or indirectly by persons who were holders of the Company's then-outstanding voting securities immediately prior to such amalgamation, merger, consolidation or other reorganization;

(ii) The sale, transfer or other disposition of all or substantially all of the Company's assets to an entity that is not a Parent, a Subsidiary or an Affiliate of the Company;

(iii) Any transaction as a result of which any person acquires in a single transaction, directly or indirectly, securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities. For purposes of this subsection, the term "person" shall have the same meaning as when used in sections 13(d) and 14(d) of the Exchange Act but shall exclude: (A) any Parent, Subsidiary or Affiliate of the Company, (B) any employee benefit plan (or related trust) sponsored or maintained by the Company, a Parent, or any Subsidiary or Affiliate, and (C) any underwriter temporarily holding securities pursuant to an offering of such securities; or

(iv) A change in the composition of the Board over a period of twenty four (24) consecutive months or less as a result of which individuals who, at the beginning of such period, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual subsequently becoming a director whose election, or nomination for election by the Company's Stockholders, was approved by a vote of at least a majority of the directors then comprising the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

(f) *"Code"* shall mean the Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

(g) *"Committee"* shall mean the Board or a committee of the Board appointed pursuant to Section 3 of the Plan to administer the Plan.

(h) *"Committee Delegate"* shall mean the Chief Executive Officer or other senior officer of the Company to whom duties and powers of the Board or Committee hereunder have been delegated pursuant to Section 3(b).

(i) *"Covered Employee"* shall mean an employee of the Company or any Parent, Subsidiary or Affiliate who is subject to Code Section 162(m).

(j) *"Exchange Act"* shall mean the U.S. Securities Exchange Act of 1934, as amended and any rules or regulations promulgated thereunder.

(k) *"Fair Market Value"* of the Stock for any purpose on a particular date shall mean:

(i) if the Stock is traded on a public securities exchange or a national automated quotation system, the closing price for Stock on the relevant date, or (if there were no sales on such date) the closing price on the nearest day before the relevant date, as reported in *The Wall Street Journal* or a similar publication selected by the Committee; or

(ii) if the Stock is not traded on a public securities exchange or a national quotation system on such date, the price determined in a manner such as the Committee shall in good faith determine to be appropriate and consistent with the requirements of Code Section 409A.

(l) *"Grant Agreement"* shall mean a written agreement between the Company and a grantee memorializing the terms and conditions of an Award granted pursuant to the Plan.

(m) *"Grant Date"* shall mean the date on which the Committee formally acts to grant an Award to a grantee or such other date as the Committee shall so designate at the time of taking such formal action.

(n) *"Incentive Stock Options"* shall mean Stock options that meet the requirements of Code Section 422.

(o) *"Merger Agreement"* means the Agreement and Plan of Merger dated March 16, 2012 by and among United Strategies, Inc., a Delaware corporation ("United"), Promark Technology, Inc., a Maryland corporation and wholly-owned subsidiary of United, the Company and Promark Acquisition Corporation, a Delaware corporation and wholly-owned subsidiary of the Company.

(p) *"Nonqualified Stock Options"* shall mean Stock options that do not meet the requirements of Code Section 422.

(q) *"Parent"* shall mean a company, whether now or hereafter existing, within the meaning of the definition of "parent company" provided in Section 424(e) of the Code, or any successor thereto of similar import.

(r) *"Participant"* shall mean a director, officer, employee or consultant of the Company, or any Parent, Subsidiary or Affiliate, who is granted an Award under the Plan.

(s) *"Performance Award"* shall mean an Award under Section 10 hereof.

(t) *"Performance Measure"* shall mean one or more of the following criteria, or such other operating objectives, selected by the Committee to measure performance of the Company or any Parent, Subsidiary or Affiliate or other business division of same for a Performance Period, whether in absolute or relative terms: basic or diluted earnings per share of Stock; earnings per share of Stock growth; revenue; operating income; net income (either before or after taxes); earnings and/or net income before interest and taxes; earnings and/or net income before interest, taxes, depreciation and amortization; return on capital; return on equity; return on assets; net cash provided by operations; free cash flow; Stock price; economic profit; economic value; total stockholder return; gross margins and costs. Each such measure shall be determined in accordance with generally accepted accounting principles as consistently applied and, as determined by the independent accountants of the Company in the case of a Performance Award to a Covered Employee, to the extent intended to meet the performance-based compensation exception under Code Section 162(m), or as determined by the Committee for other Performance Awards, adjusted to omit the effects of extraordinary items, gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles.

(u) *"Performance Period"* means a period of not less than one year over which the achievement of targets for Performance Measures is determined.

(v) "*Phantom Stock"* shall mean Awards under Section 9.

(w) *"Restricted Stock"* and *"Restricted Stock Units"* shall mean Awards under Section 7.

(x) *"Rule 16b-3"* shall mean Rule 16b-3 as in effect under the Exchange Act on the effective date of the Plan, or any successor provision prescribing conditions necessary to exempt the issuance of securities under the Plan (and further transactions in such securities) from Section 16(b) of the Exchange Act.

(y) *"Securities Act"* shall mean the U.S. Securities Act of 1933, as amended and any rules or regulations promulgated thereunder.

(z) *"Stock"* shall mean common stock of the Company, par value $0.01 per share.

(aa) *"Stock Appreciation Rights"* shall mean Awards under Section 8.

(bb) *"Subsidiary" and "Subsidiaries"* shall mean only a company or companies, whether now or hereafter existing, within the meaning of the definition of "subsidiary company" provided in Section 424(f) of the Code, or any successor thereto of similar import.

(cc) *"Terminated Plan"* shall mean the United Strategies, Inc. 2001 Stock Option Plan.

3. Administration

(a) *Procedure.* The Plan shall be administered by the Board. In the alternative, the Board may delegate authority to a Committee to administer the Plan on behalf of the Board, subject to such terms and conditions as the Board may prescribe. Such Committee shall consist of not less than two (2) members of the Board each of whom is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act, or any successor rule of similar import, and an "outside director" within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies, however caused, and remove all members of the Committee and, thereafter, directly administer the Plan. In the event that the Board is the administrator of the Plan in lieu of a Committee, the term "Committee" as used herein shall be deemed to mean the Board.

Members of the Board or Committee who are either eligible for Awards or have been granted Awards may vote on any matters affecting the administration of the Plan or the grant of Awards pursuant to the Plan, except that no such member shall act upon the granting of an Award to himself or herself, but any such member may be counted in determining the existence of a quorum at any meeting of the Board or the Committee during which action is taken with respect to the granting of an Award to him or her.

The Committee shall meet at such times and places and upon such notice as it may determine. A majority of the Committee shall constitute a quorum. Any acts by the Committee may be taken at any meeting at which a quorum is present and shall be by majority vote of those members entitled to vote. Additionally, any acts reduced to writing or approved in writing by all of the members of the Committee shall be valid acts of the Committee.

(b) *Secondary Committees and Sub-Plans*. The Board may, in its sole discretion, divide the duties and powers of the Committee by establishing one or more secondary Committees to which certain duties and powers of the Board hereunder are delegated (each of which shall be regarded as a "Committee" under the Plan with respect to such duties and powers), or delegate all of its duties and powers hereunder to a single Committee. Additionally, if permitted by applicable law, the Board or Committee may delegate any or all of its duties and powers hereunder to the Chief Executive Officer and/or to other senior officers of the Company subject to such conditions and limitations as the Board or Committee shall prescribe. However, only the Committee described under Subsection 3(a) may designate and grant Awards to Participants who are subject to Section 16 of the Exchange Act or Section 162(m) of the Code. The Committee shall also have the power to establish sub-plans (which may be included as appendices to the Plan or the respective Grant Agreements), which may constitute separate programs, for the purpose of establishing programs which meet any special tax or regulatory requirements of jurisdictions other than the United States and its subdivisions. Any such interpretations, rules, administration and sub-plans shall be consistent with the basic purposes of the Plan.

(c) *Powers of the Committee*. The Committee shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards. The Committee shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, but not limited to, the authority to:

(i) determine the Participants to whom, and the time or times at which, Awards shall be granted,

(ii) determine the types of Awards to be granted,

(iii) determine the number of shares of Stock and/or amount of cash to be covered by or used for reference purposes for each Award,

(iv) impose such terms, limitations, vesting schedules, restrictions and conditions upon any such Award as the Committee shall deem appropriate, including without limitation establishing, in its discretion, Performance Measures that must be satisfied before an Award vests and/or becomes payable, the term during which an Award is exercisable, the purchase price, if any, under an Award and the period, if any, following a grantee's termination of employment or service with the Company or any Parent, Subsidiary or Affiliate during which the Award shall remain exercisable,

(v) modify, extend or renew outstanding Awards, accept the surrender of outstanding Awards and substitute new Awards, provided that no such action shall be taken with respect to any outstanding Award that would materially, adversely affect the grantee without the grantee's consent, or constitute a repricing of stock options without the consent of the holders of the Company's voting securities under (vi) below,

(vi) only with the approval of the holders of the voting securities of the Company to the extent that such approval is required by applicable law, regulation or the rules of a national securities exchange or automated quotation system to which the Company is subject, reprice Incentive Stock Options and Nonqualified Stock Options either by amendment to lower the exercise price or by accepting such stock options for cancellation and issuing replacement stock options with a lower exercise price or through any other mechanism,

(vii) accelerate the time in which an Award may be exercised or in which an Award becomes payable and waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to an Award,

(viii) establish objectives and conditions, including targets for Performance Measures, if any, for earning Awards and determining whether Awards will be paid after the end of a Performance Period, and

(ix) permit the deferral of, or require a Participant to defer such Participant's receipt of, the delivery of Stock and/or cash under an Award that would otherwise be due to such Participant and establish rules and procedures for such payment deferrals, provided the requirements of Code Section 409A are met with respect to any such deferral.

The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Plan as the Committee deems necessary, desirable or appropriate in accordance with the Bylaws of the Company.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Board or Committee or a Committee Delegate shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification*. The members of the Board and Committee and any Committee Delegate shall be indemnified by the Company in respect of all their activities under the Plan in accordance with the procedures and terms and conditions set forth in the Certificate of Incorporation and Bylaws of the Company as in effect from time to time. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation and Bylaws, as a matter of law, or otherwise.

(f) *Effect of Committee's Decision*. All actions taken and decisions and determinations made by the Committee or a Committee Delegate on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Committee's or Committee Delegate's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its stockholders, any Participants in the Plan and any other employee of the Company, and their respective successors in interest.

(g) *Apprising the Board*. The Committee will inform the Board regarding its activities under the Plan not less frequently than at each scheduled Board meeting and at such other times as the Board may request.

4. Stock Available Under the Plan; Maximum Awards

(a) *Stock Available Under the Plan.* Subject to adjustments as provided in Section 13 of the Plan, the Stock that may be delivered or purchased or used for reference purposes (with respect to Stock Appreciation Rights, or Phantom Stock) with respect to Awards granted under the Plan, including with respect to Incentive Stock Options, shall not exceed twenty-one million (21,000,000) shares of Stock, which number shall include the number of shares of Stock subject to the Assumed Options. Stock available under the Plan may be, in any combination, authorized but unissued Stock, treasury Stock and Stock that is repurchased in the market and canceled by the Company. The Company shall reserve said number of shares of Stock for Awards under the Plan, subject to adjustments as provided in Section 13 of the Plan. If any Award, or portion of an Award, issued under the Plan, or any Assumed Option expires or terminates unexercised, becomes unexercisable or is forfeited or otherwise terminated, surrendered or canceled as to any shares of Stock without the delivery by the Company (or, in the case of Restricted Shares, without vesting) of Stock or other consideration, the Stock subject to such Award shall thereafter be available for further Awards under the Plan.

(b) *Maximum Awards to Covered Employees.* The maximum number of shares of Stock subject to Awards that may be granted during any one calendar year to any one Covered Employee shall be limited to five hundred thousand (500,000). To the extent required by Section 162(m) of the Code and so long as Section 162(m) of the Code is applicable to persons eligible to participate in the Plan, shares of Stock subject to the foregoing maximum with respect to which the related Award is terminated, surrendered or canceled shall nonetheless continue to be taken into account with respect to such maximum for the calendar year in which granted.

5. Participation

Participation in the Plan shall be open to all directors, officers, employees and consultants of the Company, or of any Parent, Subsidiary or Affiliate of the Company, as may be selected by the Committee from time to time. Notwithstanding the foregoing, participation in the Plan with respect to Awards of Incentive Stock Options shall be limited to employees of the Company or of any Parent or Subsidiary of the Company.

Awards may be granted to such Participants and for or with respect to such number of shares of Stock as the Committee shall determine, subject to the limitations in Section 4 of the Plan. A grant of any type of Award made in any one year to a Participant shall neither guarantee nor preclude a further grant of that or any other type of Award to such person in that year or subsequent years.

6. Stock Options

Subject to the other applicable provisions of the Plan, the Committee may from time to time grant to Participants Awards of Nonqualified Stock Options and/or Incentive Stock Options. The stock option Awards granted shall be subject to the following terms and conditions.

(a) *Grant of Option.* The grant of a stock option shall be evidenced by a Grant Agreement, executed by the Company and the grantee, stating the number of shares of Stock subject to the stock option evidenced thereby, the exercise price and the terms and conditions of such stock option, in such form as the Committee may from time to time determine.

(b) *Exercise Price*. The price per share payable upon the exercise of each stock option shall be determined by the Committee, but shall not be less than the Fair Market Value of the shares on the Grant Date unless the stock option is an Assumed Option or otherwise meets the requirements of Code Section 409A.

(c) *Payment.* Stock options may be exercised in whole or in part by payment of the exercise price of the Stock to be acquired in accordance with the provisions of the Grant Agreement, and/or such rules and regulations as the Committee may have prescribed, and/or such determinations, orders, or decisions as the Committee may have made. Payment may be made in cash (or cash equivalents acceptable to the Committee) or, if provided in the Grant Agreement and permitted by applicable law, in shares of Stock which have been held by grantee for at least six (6) months, or a combination of cash and such Stock, or by such other means as the Committee may prescribe. The Fair Market Value of Stock delivered on exercise of stock options shall be determined as of the date of exercise.

If the Stock is registered under Section 12(b) or 12(g) of the Exchange Act, the Committee, subject to such limitations as it may determine, may authorize payment of the exercise price, in whole or in part, by delivery of a properly executed exercise notice, together with irrevocable instructions, to: (i) a brokerage firm to deliver promptly to the Company the aggregate amount of sale or loan proceeds to pay the exercise price and any withholding tax obligations that may arise in connection with the exercise, and (ii) the Company to deliver the certificates for such purchased Stock directly to such brokerage firm.

(d) *Term of Options.* The term during which each stock option may be exercised shall be determined by the Committee; provided, however, that in no event shall a stock option be exercisable more than ten years from the date it is granted. Prior to the exercise of the stock option and delivery of the Stock certificates represented thereby, the grantee shall have none of the rights of a stockholder with respect to any Stock represented by an outstanding stock option.

(e) *Restrictions on Incentive Stock Options*. Incentive Stock Option Awards granted under the Plan shall comply in all respects with Code Section 422 and, as such, shall meet the following additional requirements:

(i) *Grant Date*. An Incentive Stock Option must be granted within ten (10) years of the earlier of the Plan's adoption by the Board of Directors or approval by the Company's stockholders.

(ii) *Exercise Price and Term*. The exercise price of an Incentive Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Stock on the date the stock option is granted and the term of the stock option shall not exceed ten (10) years. Also, the exercise price of any Incentive Stock Option granted to a grantee who owns (within the meaning of Section 422(b)(6) of the Code, after the application of the attribution rules in Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of shares of Stock of the Company or any Parent or Subsidiary of the Company shall be not less than one hundred ten percent (110%) of the Fair Market Value of the Stock on the grant date and the term of such stock option shall not exceed five (5) years.

(iii) *Maximum Grant*. The aggregate Fair Market Value (determined as of the Grant Date) of Stock of the Company with respect to which all Incentive Stock Options first become exercisable by any grantee in any calendar year under this or any other plan of the Company and its Parent and Subsidiaries may not exceed One Hundred Thousand Dollars ($100,000) or such other amount as may be permitted from time to time under Section 422 of the Code. To the extent that such aggregate Fair Market Value shall exceed One Hundred Thousand Dollars ($100,000), or other applicable amount, such stock options to the extent of the Stock in excess of such limit shall be treated as Nonqualified Stock Options. In such case, the Company may designate the shares of Stock that are to be treated as Stock acquired pursuant to the exercise of an Incentive Stock Option.

(iv) *Grantee*. Incentive Stock Options shall only be issued to employees of the Company or of a Parent or Subsidiary of the Company.

(v) *Designation*. No stock option shall be an Incentive Stock Option unless so designated by the Committee at the time of grant or in the Grant Agreement evidencing such stock option.

(vi) *Stockholder Approval.* No stock option issued under the Plan shall be an Incentive Stock Option unless the Plan is approved by the stockholders of the Company within twelve (12) months of its adoption by the Board in accordance with the Bylaws of the Company and governing law relating to such matters.

(f) *Other Terms and Conditions.* Stock options may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine appropriate from time to time.

7. Restricted Stock and Restricted Stock Units

(a) *In General.* Subject to the other applicable provisions of the Plan and applicable law, the Committee may at any time and from time to time grant Restricted Stock or Restricted Stock Units to Participants, in such amounts and subject to such vesting conditions, other restrictions and conditions for removal of restrictions as it determines. Unless determined otherwise by the Committee, Participants receiving Restricted Stock or Restricted Stock Units are not required to pay the Company cash consideration therefor (except as may be required for applicable tax withholding).

(b) *Vesting Conditions and Other Restrictions.* Each Award for Restricted Stock and Restricted Stock Units shall be evidenced by a Grant Agreement that specifies the applicable vesting conditions and other restrictions, if any, on such Award, the duration of such restrictions, and the time or times at which such restrictions shall lapse with respect to all or a specified number of the shares of Stock that are part of the Award. Notwithstanding the foregoing, the Committee may reduce or shorten the duration of any vesting or other restriction applicable to any Restricted Stock or Restricted Stock Units awarded to any grantee under the Plan.

(c) *Stock Issuance and Stockholder Rights.*

(i) Restricted Stock. Stock certificates with respect to Stock granted pursuant to a Restricted Stock Award shall be issued, and/or Stock shall be registered, at the time of grant of the Restricted Stock Award, subject to forfeiture if the Restricted Stock does not vest or other restrictions do not lapse. Any Stock certificates shall bear an appropriate legend with respect to the restrictions applicable to such Restricted Stock Award and the grantee may be required to deposit the certificates with the Company during the period of any restriction thereon and to execute a blank stock power or other instrument of transfer therefor. Except as otherwise provided by the Committee, during the period of restriction following issuance of Restricted Stock certificates, the grantee shall have all of the rights of a holder of Stock, including but not limited to the rights to receive dividends (or amounts equivalent to dividends) and to vote with respect to the Restricted Stock. The Committee, in its discretion, may provide that any dividends or distributions paid with respect to Stock subject to the unvested portion of a Restricted Stock Award will be subject to the same restrictions as the Restricted Stock to which such dividends or distributions relate.

(ii) Restricted Stock Units. Stock certificates for the shares of Stock subject to a Restricted Stock Unit shall be issued, and/or Stock shall be registered, upon vesting and lapse of any other restrictions with respect to the issuance of Stock under such Award. The grantee will not be entitled to vote such Stock or to any of the other rights of stockholders during the period prior to issuance of the certificates for such Stock and/or the registration of the Stock. An Award of Restricted Stock Units may provide the Participant with the right to receive amounts equivalent to dividends and distributions paid with respect to Stock subject to the Award while the Award is outstanding, which payments may, in the Committee's discretion, either be made currently or credited to an account for the Participant, and may be settled in cash or Stock, all as determined by the Committee. Unless otherwise determined by the Committee with respect to a particular Award, each outstanding Restricted Stock Unit shall accrue such dividend equivalents, deferred as equivalent amounts of additional Restricted Stock Units, which amounts will be paid only when and if the Restricted Stock Unit (on which such dividend equivalents were accrued) vests and becomes payable. To the extent that a Restricted Stock Unit does not vest or is otherwise forfeited, any accrued and unpaid dividend equivalents shall be forfeited.

8. Stock Appreciation Rights

(a) *Award of Stock Appreciation Rights.* Subject to the other applicable provisions of the Plan, the Committee may at any time and from time to time grant Stock Appreciation Rights ("SARs") to Participants, either on a free-standing basis (without regard to or in addition to the grant of a stock option) or on a tandem basis (related to the grant of an underlying stock option), as it determines. SARs granted in tandem with or in addition to a stock option may be granted either at the same time as the stock option or at a later time; provided, however, that a tandem SAR shall not be granted with respect to any outstanding Incentive Stock Option Award without the consent of the grantee. SARs shall be evidenced by Grant Agreements, executed by the Company and the grantee, stating the number of shares of Stock subject to the SAR evidenced thereby and the terms and conditions of such SAR, in such form as the Committee may from time to time determine. The term during which each SAR may be exercised shall be determined by the Committee. In no event shall a SAR be exercisable more than ten years from the date it is granted. The grantee shall have none of the rights of a stockholder with respect to any Stock represented by a SAR.

(b) *Restrictions of Tandem SARs.* No Incentive Stock Option may be surrendered in connection with the exercise of a tandem SAR unless the Fair Market Value of the Stock subject to the Incentive Stock Option is greater than the exercise price for such Incentive Stock Option. SARs granted in tandem with stock options shall be exercisable only to the same extent and subject to the same conditions as the stock options related thereto are exercisable. The Committee may, in its discretion, prescribe additional conditions to the exercise of any such tandem SAR.

(c) *Amount of Payment upon Exercise of SARs.* A SAR shall entitle the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Stock over (B) the base price per share of Stock specified in the Grant Agreement, times (ii) the number of shares of Stock specified by the SAR, or portion thereof, that is exercised. In the case of exercise of a tandem SAR, such payment shall be made in exchange for the surrender of the unexercised related stock option (or any portion or portions thereof which the grantee from time to time determines to surrender for this purpose). The base price per share under a SAR shall not be less than the Fair Market Value of a share of Stock on the Grant Date, unless the SAR meets the requirements of Code Section 409A.

(d) *Form of Payment upon Exercise of SARs.* Payment by the Company of the amount receivable upon any exercise of a SAR may be made by the delivery of Stock or cash, or any combination of Stock and cash, as determined in the sole discretion of the Committee from time to time. If upon settlement of the exercise of a SAR a grantee is to receive a portion of such payment in Stock, the number of shares of Stock shall be determined by dividing such portion by the Fair Market Value of a share of Stock on the exercise date. No fractional shares shall be used for such payment and the Committee shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

9. Phantom Stock

The grant of Phantom Stock shall be evidenced by a Grant Agreement, executed by the Company and the grantee, that incorporates the terms of the Plan and states the number of shares of Phantom Stock evidenced thereby and the terms and conditions of such Phantom Stock in such form as the Committee may from time to time determine. Phantom Stock granted to a Participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. Each share of Phantom Stock shall represent the value of one share of Stock. Phantom Stock shall become payable in whole or in part in such form, at such time or times and pursuant to such conditions in accordance with the provisions of the Grant Agreement, and/or such rules and regulations as the Committee may prescribe, and/or such determinations, orders or decisions as the Committee may make. Except as otherwise provided in the applicable Grant Agreement, the grantee shall have none of the rights of a stockholder with respect to any shares represented by Phantom Stock as a result of the grant of Phantom Stock to the grantee. Phantom Stock may contain such other provisions, not inconsistent with the provisions of the Plan, as the Committee shall determine desirable or appropriate from time to time.

10. Performance Awards

(a) *In General.* The Committee, in its discretion, may establish targets for Performance Measures for selected Participants and authorize the granting, vesting, payment and/or delivery of Performance Awards in the form of Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, and/or Phantom Stock to such Participants upon achievement of such targets for Performance Measures during a Performance Period. The Committee, in its discretion, shall determine the Participants eligible for Performance Awards, the targets for Performance Measures to be achieved during each Performance Period, and the type, amount, and terms and conditions of any Performance Awards. Performance Awards may be granted either alone or in addition to other Awards made under the Plan.

(b) *Covered Employee Targets.* After the Company is subject to Code Section 162(m), in connection with any Performance Awards granted to a Covered Employee which are intended to meet the performance-based compensation exception under Code Section 162(m), the Committee shall (i) establish in the applicable Grant Agreement the specific targets relative to the Performance Measures which must be attained before the respective Performance Award is granted, vests, or is otherwise paid or delivered, (ii) provide in the applicable Grant Agreement the method for computing the portion of the Performance Award which shall be granted, vested, paid and/or delivered if the target or targets are attained in full or part, and (iii) at the end of the relevant Performance Period and prior to any such grant, vesting, payment or delivery certify the extent to which the applicable target or targets were achieved and whether any other material terms were in fact satisfied. The specific targets and the method for computing the portion of such Performance Award which shall be granted, vested, paid or delivered to any Covered Employee shall be established by the Committee prior to the earlier to occur of (A) ninety (90) days after the commencement of the Performance Period to which the Performance Measure applies and (B) the elapse of twenty-five percent (25%) of the Performance Period and in any event while the outcome is substantially uncertain. In interpreting Plan provisions applicable to Performance Measures and Performance Awards which are intended to meet the performance-based compensation exception under Code Section 162(m) , it is the intent of the Plan to conform with the standards of Section 162(m) of the Code and Treasury Regulations Section 1.162-27(e)(2), and the Committee in interpreting the Plan shall be guided by such provisions.

11. Withholding and Reporting of Taxes

The Company may require, as a condition to the grant of any Award under the Plan, vesting or exercise pursuant to such Award or to the delivery of certificates for shares of Stock issued or payments of cash to a grantee pursuant to the Plan or a Grant Agreement, that the grantee pay to the Company, in cash or, if approved by the Company, in Stock, including Stock acquired upon grant of the Award or exercise of the Award, valued at Fair Market Value on the date as of which the withholding tax liability is determined, any federal, state or local taxes of any kind or any applicable taxes or other required withholding of any other jurisdiction required by law to be withheld with respect to any taxable event under the Plan. The Company, to the extent permitted or required by law, shall have the right to deduct from any payment of any kind (including salary or bonus) otherwise due to a grantee any federal, state or local taxes of any kind or any applicable taxes or other required withholding of any other jurisdiction required by law to be withheld with respect to the grant, vesting, exercise or payment of or under any Award under the Plan or a Grant Agreement, or to retain or sell a sufficient number of the shares of Stock to be issued to such grantee to cover any such taxes. The Company or any Parent, Subsidiary or Affiliate shall comply with any applicable tax reporting requirements of any jurisdiction imposed on it by law with respect to the granting, vesting, exercise and/or payment of Awards.

12. Transferability

Except to the extent otherwise provided in the respective Grant Agreement, no Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Unless otherwise determined by the Committee in accordance with the provisions of the immediately preceding sentence, an Award may be exercised during the lifetime of the grantee only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative. Notwithstanding the foregoing, an Award other than an Incentive Stock Option may, in the Committee's sole discretion, be transferable by gift or domestic relations order to (i) the grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, daughter-in-law, son-in-law, brother-in-law or sister-in-law, including adoptive relationships (such persons, "Family Members"), (ii) a corporation, partnership, limited liability company or other business entity whose only stockholders, partners or members, as applicable are the grantee and/or Family Members, or (iii) a trust in which the Grantee and/or Family Members have all of the beneficial interests, and subsequent to any such transfer any Award may be exercised by any such transferee.

13. Adjustments; Business Combinations

(a) *Adjustments.* In the event of a reclassification, recapitalization, stock split, reverse stock split, stock dividend, combination of shares or other similar event, the maximum number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan as provided in Section 4 shall be adjusted to reflect such event, and the Committee shall make such adjustments as it deems appropriate and equitable in the number, kind and price of shares covered by outstanding Awards made under the Plan, and in any other matters that relate to Awards and that are affected by the changes in the shares referred to above.

(b) *Change in Control.* In the event of any proposed Change in Control under Section 2(d)(i), (ii) or (iii), the Committee shall take such action as it deems appropriate and equitable to effectuate the purposes of this Plan and to protect the grantees of Awards, which action may include, without limitation, any one or more of the following, provided such action is in compliance with Code Section 409A if applicable: (i) acceleration or change of the exercise and/or expiration dates of any Award to require that exercise be made, if at all, prior to the Change in Control; (ii) cancellation of any Award upon payment to the holder in cash of the Fair Market Value of the Stock subject to such Award as of the date of (and, to the extent applicable, as established for purposes of) the Change in Control, less the aggregate exercise price, if any, of the Award; and (iii) in any case where equity securities of another entity are proposed to be delivered in exchange for or with respect to Stock of the Company, arrangements to have such other entity replace the Awards granted hereunder with awards with respect to such other securities, with appropriate adjustments in the number of shares subject to, and the exercise prices under, the Award.

(c) *Dissolution and Liquidation.* In the event the Company dissolves and liquidates (other than pursuant to a plan of amalgamation, merger or reorganization), then notwithstanding any restrictions on exercise set forth in this Plan or any Grant Agreement, or other agreement evidencing a stock option, Stock Appreciation Right, Phantom Stock, Restricted Stock or Restricted Stock Unit Award, provided such action is in compliance with Code Section 409A if applicable: (i) each grantee shall have the right to exercise his stock option, Stock Appreciation Right, or Phantom Stock or to require delivery of Stock certificates, and/or registration of the Stock, representing any such Restricted Stock or Restricted Stock Unit Award, at any time up to ten (10) days prior to the effective date of such liquidation and dissolution; and (ii) the Committee may make arrangements with the grantees for the payment of appropriate consideration to them for the cancellation and surrender of any stock option, Stock Appreciation Right, Phantom Stock, Restricted Stock or Restricted Stock Unit Award that is so canceled or surrendered at any time up to ten (10) days prior to the effective date of such liquidation and dissolution. The Committee may establish a different period (and different conditions) for such exercise, delivery, cancellation or surrender to avoid subjecting the grantee to liability under Section 16(b) of the Exchange Act. Any stock option, Stock Appreciation Right or Phantom Stock not so exercised, canceled or surrendered shall terminate on the last day for exercise prior to such effective date; and any Restricted Stock or Restricted Stock Units as to which there has not been such delivery of Stock certificates or that has not been so canceled or surrendered, shall be forfeited on the last day prior to such effective date. The Committee shall give to each grantee written notice of the commencement of any proceedings for such liquidation and dissolution of the Company and the grantee's rights with respect to his outstanding Award.

(d) *Other Adjustments.* The Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in the preceding paragraphs of this Section 13) affecting the Company, or the financial statements of the Company or any Parent, Subsidiary or Affiliate, or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(e) *Additional Issuances.* Except as hereinbefore expressly provided, issuance by the Company of stock of any class or securities convertible into stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warranty to subscribe therefor, or upon conversion of stock or obligations of the Company convertible into such stock or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Awards theretofore granted or the purchase price per share of Stock subject to Awards.

14. Termination and Amendment

(a) *Amendment or Termination by the Board.* The Board, without further approval of the stockholders, may amend or terminate the Plan or any portion thereof at any time, except that no amendment shall become effective without prior approval of the stockholders of the Company to increase the number of shares of Stock subject to the Plan or if stockholder approval is necessary to comply with any tax or regulatory requirement or rule of any exchange or national automated quotation system upon which the Stock is listed or quoted (including for this purpose stockholder approval that is required for continued compliance with Rule 16b-3 or stockholder approval that is required to enable the Committee to grant Incentive Stock Options pursuant to the Plan).

(b) *Amendments by the Committee.* The Committee shall be authorized to make minor or administrative amendments to the Plan as well as amendments to the Plan that may be dictated by requirements of U.S. federal or state laws applicable to the Company or that may be authorized or made desirable by such laws. The Committee may amend any outstanding Award in any manner as provided in Section 3(c) and to the extent that the Committee would have had the authority to make such Award as so amended.

(c) *Approval of Grantees.* No amendment to the Plan or any Award may be made that would materially adversely affect any outstanding Award previously made under the Plan without the approval of the grantee. Further, no amendment to the Plan or an Award shall be made which would cause any Award to fail to either comply with or meet an exception from Code Section 409A.

15. Non-Guarantee of Employment

Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an employee to continue in the employ of the Company or any Parent, Subsidiary or Affiliate or shall interfere in any way with the right of the Company or any Parent, Subsidiary or Affiliate to terminate an employee at any time.

16. Termination of Employment

For purposes of maintaining a grantee's continuous status as an employee and accrual of rights under any Award, transfer of an employee among the Company and the Company's Parent, Subsidiaries or Affiliates shall not be considered a termination of employment. Nor shall it be considered a termination of employment for such purposes if an employee is placed on military or sick leave or such other leave of absence that is considered as continuing intact the employment relationship; in such a case, the employment relationship shall be continued until the date when an employee's right to reemployment shall no longer be guaranteed either by law or contract.

17. Written Agreement

Each Grant Agreement entered into between the Company and a grantee with respect to an Award granted under the Plan shall incorporate the terms of this Plan and shall contain such provisions, consistent with the provisions of the Plan, as may be established by the Committee.

18. Non-Uniform Determinations

The Committee's determinations under the Plan (including without limitation determinations of the persons to receive Awards, the form, amount and time of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

19. Limitation on Benefits

With respect to persons subject to Section 16 of the Exchange Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void, to the extent permitted by law and deemed advisable by the Committee.

20. Listing and Registration

If the Company determines that the listing, registration or qualification of Stock subject to any Award upon any securities exchange or listing or quotation system established by the National Association of Securities Dealers, Inc. or under any law is necessary or desirable as a condition of, or in connection with, the granting of same or the issue or purchase of Stock thereunder, no such Award may be exercised in whole or in part and no restrictions on such Award shall lapse, unless such listing, registration or qualification is effected free of any conditions not acceptable to the Company.

21. Compliance with Securities Law

The Company may require that a grantee, as a condition to exercise of an Award, and as a condition to the delivery of any Stock certificate, provide to the Company, at the time of each such exercise and each such delivery, a written representation that the Stock being acquired shall be acquired by the grantee solely for investment and will not be sold or transferred without registration or the availability of an exemption from registration under the Securities Act and applicable state securities laws. The Company may also require that a grantee submit other written representations that will permit the Company to comply with applicable federal and state securities laws in connection with the issuance of the Stock, including representations as to the knowledge and experience in financial and business matters of the grantee and the grantee's ability to bear the economic risk of the grantee's investment. The Company may require that the grantee obtain a "purchaser representative" as that term is defined in applicable federal and state securities laws. Any Stock certificates for shares issued pursuant to this Plan may bear a legend restricting transferability of the Stock unless such shares are registered or an exemption from registration is available under the Securities Act and applicable securities laws of the states of the U.S. The Company may notify its transfer agent to stop any transfer of Stock not made in compliance with these restrictions. Stock shall not be issued with respect to an Award granted under the Plan unless the exercise of such Award and the issuance and delivery of Stock certificates for such shares pursuant thereto shall comply with all relevant provisions of law, including, without limitation, the Securities Act, the Exchange Act, the rules and regulations promulgated thereunder and the requirements of any national securities exchange or Nasdaq System upon which the Stock may then be listed or quoted, and shall be further subject to the approval of counsel for the Company with respect to such compliance to the extent such approval is sought by the Committee.

22. No Trust or Fund Created

Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

23. No Limit on Other Compensation Arrangements

Nothing contained in the Plan shall prevent the Company or any Parent, Subsidiary or Affiliate from adopting or continuing in effect other compensation arrangements (whether such arrangements be generally applicable or applicable only in specific cases), including without limitation the granting of stock options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights or Phantom Stock Units otherwise than under the Plan.

24. No Restriction of Corporate Action

Nothing contained in the Plan shall be construed to limit or impair the power of the Company or any Parent, Subsidiary or Affiliate to make adjustments, reclassifications, reorganizations, or changes in its capital or business structure, or to amalgamate, merge or consolidate, liquidate, sell or transfer all or any part of its business or assets or, except as otherwise provided herein, or in a Grant Agreement, to take other actions which it deems to be necessary or appropriate. No employee, beneficiary or other person shall have any claim against the Company or any Parent, Subsidiary or Affiliate as a result of such action.

25. Governing Law

The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Board or Committee relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined in accordance with applicable federal laws and the laws of the State of Nevada. Unless otherwise provided in the Award Agreement, recipients of an Award under the Plan are deemed to submit to the exclusive jurisdiction and venue of the federal or local courts of the State of Nevada, to resolve any and all issues that may arise out of or relate to the Plan or any related Grant Agreement. The Awards under the Plan are intended to either comply with or meet an exception from Code Section 409A and shall be so interpreted and administered.

26. Plan Subject to Charter and Bylaws

This Plan is subject to the Certificate of Incorporation and Bylaws of the Company, as they may be in effect from time to time.

27. Effective Date; Termination Date

The Plan is subject to the approval of the stockholders of the Company, acting in accordance with governing law, within twelve (12) months of its adoption by the Board. Any awards issued under the Plan prior to the date of such approval of the Plan by stockholders, except the Assumed Options, shall be null and void in the event the Plan is not so approved by the Company's stockholders. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth (10^{th}) anniversary of the effective date of the Plan. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

Date Approved by the Board: March 30, 2012

Date Approved by the Stockholders: _____

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective as of the 30th day of March, 2012 (the "Effective Date"), by and between Sand Hills, Inc., a Nevada corporation (the "Company"), and Dale R. Foster, an individual (the "Executive").

WITNESSETH

WHEREAS, the Company desires to retain the Executive to serve in the capacity of President and Chief Executive Officer of the Company on the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive desires to accept employment in such capacity on such terms and conditions.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties, intending to be legally bound, agree as follows:

1. Employment Duties and Acceptance

(a) In accordance with the terms of this Agreement, the Company hereby employs the Executive, for the Term (as hereinafter defined), to render full-time services to the Company as President and Chief Executive Officer and to perform the customary duties and bear the customary responsibilities of such positions and such other duties and responsibilities, commensurate with such positions, as the Executive shall be directed from time to time by the Board of Directors of the Company (the "Board") to perform or bear, which duties and responsibilities shall be consistent with the provisions of the Bylaws of the Company in effect on the date hereof that relate to or bear upon the duties of President and Chief executive Officer all in accordance with the terms of this Agreement.

(b) The Executive hereby accepts such employment and agrees to render the services described above, in accordance with the terms of this Agreement.

(c) The Executive further agrees to accept election and to serve during all or any part of the Term as a director of the Company without any compensation therefor other than that specified in this Agreement, if elected to such position by the Board or the stockholders of the Company. At all times during the Term, the Company shall include the Executive in the management slate for election as a director at every stockholders' meeting at which his term as a director would otherwise expire. At the request of the Board, following termination or expiration of this Agreement, the Executive promptly shall tender his resignation as a director of the Company.

(d) The principal place of employment of the Executive hereunder shall at all times during the Term be in the Columbia, Maryland area or such other location(s) as may be mutually acceptable to the Executive and the Board.

2. Term of Employment

The initial term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and shall end on the third anniversary of the Effective Date (the "Initial Term"), unless sooner terminated by the Company or the Executive pursuant to Section 6, 7 or 8 of this Agreement, as the case may be, or voluntarily by the Executive. Notwithstanding the foregoing, unless notice is given by the Executive or the Company to the other at least three (3) months prior to the expiration of the Term of this Agreement (including at least three (3) months prior to the expiration of any extension hereof, as provided below), the Term automatically shall be extended by one (1) year from the date it would otherwise end (whether upon expiration of the initial Term or any extension(s) thereof), unless sooner terminated pursuant to Section 6, 7 or 8 hereof or voluntarily by the Executive. In the event of such an automatic extension, the term "Term," as used herein, shall include each and any such extension.

3. Compensation and Benefits

(a) As compensation for the services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive, during the period from the Effective Date through and including March 29, 2015, an annual base salary in the amount of two hundred fifty thousand dollars ($250,000.00) (the "Base Salary"). The Executive's Base Salary hereunder shall be reviewed as of June 15th 2013 and at least annually thereafter during the Term of the Agreement for adjustment upward (but not downward) in the discretion of the Board or the Compensation Committee of the Board (the "Compensation Committee"). The Executive's Base Salary, as so adjusted, shall be considered the new Base Salary for all purposes of this Agreement. The Base Salary shall be paid in accordance with the Company's standard payroll practices applicable to its senior executives.

(b) The Company agrees that the Executive shall be eligible for a quarterly performance bonus of up to ten thousand dollars ($10,000.00) from the Company with respect to each calendar year quarter of the Company that ends during the Term. The amount of any such performance bonus shall be determined by the Board or the Compensation Committee of the Board in its sole and absolute discretion, consistent with the Company's performance, the Executive's contribution to the Company's performance and the provisions of any such applicable incentive bonus program, policy or practice; *provided, however,* that on an annual basis the aggregate amount of such quarterly performance bonuses shall not exceed twenty-five percent (25%) of the Base Salary for the fiscal year to which the bonus applies except pursuant to a specific finding by the Board or the Compensation Committee of the Board that a higher percentage is appropriate.

(c) The Company shall grant the Executive incentive stock options (the "Inducement Options") issued under section 422 of the Internal Revenue Code of 1986 (the "Code") to purchase four hundred fifty thousand (450,000) shares of the Company's common stock, par value $0.0001 per share ("Common Stock") at one hundred ten percent (110%) of the fair market value per share of common stock, as determined by the Board (the "Exercise Price") on the date on which the Inducement Options are granted (the "Grant Date"). The Inducement Options shall vest in three (3) equal installments of Inducement Options to purchase 150,000 shares on the first, second and third anniversaries of the Grant Date (each, an "Installment"); *provided* that, if the Executive's employment is terminated by the Company prior to the first anniversary of the Grant Date other than pursuant to Section 6 of this Agreement, the first Installment of Inducement Options shall vest on the date of such termination and the remainder of the Inducement Options shall not vest and shall be forfeited; *further provided* that, if the Executive is not employed by the Company on the second, third or fourth anniversary of the Grant Date, the Installments vesting on and after any such anniversary shall not vest and the Inducement Options included therein shall be forfeited. The Inducement Options shall be exercisable, once vested, for a period ending on the fifth anniversary of the Grant Date at the Exercise Price. As soon as practicable after the Grant Date, the Company shall prepare and file with the Securities and Exchange Commission a Registration Statement on Form S-8 covering issuance of the shares underlying the Inducement Options. Such Inducement Options shall be issued under Parent's 2012 Omnibus Stock Option Plan (the "Plan") and shall be evidenced by a separate option agreement which shall be in the standard form issued under the Plan, except as provided above.

(d) The Company agrees to grant to the Executive, during the Term, at the time of its usual annual grant to employees for the applicable year, such options to purchase shares of Common Stock as the Board or the Compensation Committee shall determine. In the event of a Change in Control (as defined in Section 12), all stock options and stock awards (and similar equity rights) granted to the Executive prior to such event, including, without limitation, the Inducement Options to be granted hereunder, shall immediately vest and become and remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms.

(e) The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as may reasonably be required pursuant to the standard policies of the Company in effect from time to time.

(f) During the Term, the Company shall, at its election, reimburse the Executive for term life insurance up to a maximum of one hundred fifty thousand dollars ($150,000), or provide coverage for the Executive at such level.

(g) During the Term, the Executive shall be eligible for paid vacation of 4 weeks per year after 10years of employment in accordance with the vacation policy of the Company. In the event that Executive does not utilize all of his vacation in any calendar year, he may carry forward up to two (2) weeks (10 days) for up to one (1) calendar year. Unused vacation days shall not otherwise accumulate.

4. Confidentiality

The Executive acknowledges and agrees that the "Employee Proprietary Information and Ownership of Inventions Agreement" shall be deemed incorporated in and made a part of this Employment Agreement. Notwithstanding any other provision of this Agreement, the Executive shall continue to be bound by the terms of such Proprietary Information and Inventions Agreement for a period of five (5) years after the expiration or termination of this Agreement for any reason. The Executive and the Company agree that following expiration or termination of this Agreement for any reason the Proprietary Information and Inventions Agreement shall be applicable only to material, non-public, proprietary information of the Company.

5. Non-Competition, Non-Solicitation and Non-Disparagement

(a) During the Term, the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity without the consent of the Board or (2) participate in the formation of any business or commercial entity without the consent of the Board; *provided, however*, that nothing contained in this Section 5(a) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) not exceeding two percent (2%) of such corporation's (or other entity's) then-outstanding shares of capital stock (or other interests).

(b) If this Agreement is terminated by the Company for Cause (as defined in Section 6(c)) or if the Executive terminates this Agreement other than in accordance with Section 7 or 8 hereof, or if the Executive is receiving Severance Payments in accordance with Section 9(c) or payments under Section 9(d), then for a period of one (1) year following the date of termination the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity in the Company's Field of Interest (as defined in Section 12), (2) solicit any customers or suppliers of the Company, (3) attempt to persuade or encourage customers or suppliers of the Company not to do business with the Company and/or to do business with a competitor of the Company, (4) participate in the formation of any business or commercial entity engaged primarily in the Company's Field of Interest, or (5) directly or indirectly employ, or seek to employ or secure the services in any capacity of, any person employed at that time by the Company or any of its Affiliates, or otherwise encourage or entice any such person to leave such employment; *provided, however, that* nothing contained in this Section 5(b) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) in the Company's Field of Interest not exceeding two percent (2%) of such corporation's (or other entity's) then outstanding shares of capital stock (or other interests). This Section 5(b) shall be subject to written waivers, which may be obtained by the Executive from the Company.

(c) At no time during the Term of this Agreement or thereafter will the Executive knowingly make any written or oral untrue statement or any statement that disparages the Company or its Affiliates or will the Company knowingly make any written or oral untrue statement or any statement that disparages the Executive.

(d) If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of this Section 5, the Company shall have the right and remedy to have the provisions of this Agreement, as the case may be, specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company.

(e) If any of the covenants contained in this Section 5 or any part hereof or thereof, is hereafter construed to be invalid, illegal or unenforceable by a court or regulatory agency or tribunal of competent jurisdiction, such court, agency or tribunal shall have the power, and hereby is directed, to substitute for or limit such provision(s) in order as closely as possible to effectuate the original intent of the parties with respect to such invalid, illegal or unenforceable covenant(s) generally and so to enforce such substituted covenant(s). Subject to the foregoing, the invalidity, illegality or unenforceability of any one or more of the covenants contained in this Section 5 shall not affect the validity of any other provision hereof, which shall be given full effect without regard to the invalid portions.

(f) If any of the covenants contained in this Section 5, or any part hereof or thereof, is held to be unenforceable because of the duration of such provision, the area covered thereby or the extent thereof, the parties agree that the tribunal making such determination shall have the power, and hereby is directed, to reduce the duration, area and/or extent of such provision and, in its reduced form, such provision shall then be enforceable.

(g) Anything else contained in this Agreement to the contrary notwithstanding, the parties hereto intend to and hereby do confer jurisdiction to enforce the covenants contained in this Section 5 A upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold any such covenant wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other state within the geographical scope of such other covenants, as to breaches of such covenants in such other jurisdictions, the above covenants as they relate to each state being, for this purpose, severable into diverse and independent covenants.

6. Termination by the Company

During the Term of this Agreement, the Company may terminate this Agreement, upon expiration of thirty (30) days' prior written notice given by the Company to the Executive (except in the case of the Executive's death), if any one or more of the following shall occur:

(a) The Executive shall die during the Term; *provided, however*, that the Executive's legal representatives shall be entitled to receive (1) the Executive's Base Salary through the date which is ninety (90) days after the Executive's date of death and (2) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the death of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which death occurs. Upon the Executive's death, stock options previously granted to the Executive that are vested and fully exercisable at the time of death shall remain fully exercisable, by the Executive's legal representatives, for a period of one hundred eighty (180) days from the date of death, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior the date of death shall be forfeited.

(b) The Executive shall become physically or mentally disabled so that the Executive is unable substantially to perform his services for (1) a period of one hundred twenty (120) consecutive days or (2) shorter periods aggregating one hundred eighty (180) days during any twelve (12) month period. Notwithstanding such disability the Company shall continue to pay the Executive his Base Salary through the date of such termination. In addition, the Executive shall be entitled to a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination on account of disability of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs. Upon such a disability, stock options previously granted to the Executive that are vested and fully exercisable at the time of disability shall remain fully exercisable, by the Executive or his legal representatives, should he have such, for a period of one hundred eight (180) days from the date of disability, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to the date of disability shall be forfeited by the Executive.

(c) The Executive acts, or fails to act, in a manner that provides Cause for termination. For purposes of this Agreement, the term "Cause" means: (1) the Executive's indictment for, or conviction of, any crime or serious offense involving money or other property that constitutes a felony in the jurisdiction involved; (2) the Executive's willful and ongoing neglect of, or failure to discharge, duties (including fiduciary duties), responsibilities and obligations with respect to the Company hereunder; *provided* such neglect or failure remains uncured for a period of thirty (30) days after written notice describing the same is given to the Executive by the Company; (3) the Executive's violation of any of the non-competition provisions of Section 5 hereof or the Executive's material breach of any provisions of Section 13 hereof hereto; or (4) any act of fraud or embezzlement by the Executive involving the Company or any of its Affiliates.

7. Termination by the Executive

The Executive may terminate this Agreement on written notice to the Company in the event of a material breach of the terms of this Agreement by the Company if such breach continues uncured for thirty (30) days after written notice describing the breach is first given to the Company; *provided, however*, that the Executive may terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given. The Executive may also terminate this Agreement upon written notice to the Company if any one or more of the following shall occur:

(a) loss of material duties or authority of the Executive as President and/or Chief Executive Officer, and such loss continues for thirty (30) days after written notice of such loss is given to the Company;

(b) a Prohibited Event occurs; *provided* that the Executive gives written notice of termination within ninety (90) days after such occurrence and such Prohibited Event is not remedied within thirty (30) days after such notice. For this purpose a "Prohibited Event" exists if the Executive is not continuously at least one (1) of President or Chief Executive Officer of the Company during the Term;

(c) the Company shall make a general assignment for benefit of creditors, or any proceeding shall be instituted by the Company seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, or the Company shall take any corporate action to authorize any of the actions set forth above in this Section 7(c);

(d) an involuntary petition shall be filed or an action or proceeding otherwise commenced against the Company seeking reorganization, arrangement or readjustment of the Company's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing and shall remain undismissed or unstayed for a period of thirty (30) days;

(e) a receiver, assignee, liquidator, trustee or similar officer for the Company or for all or any part of its property shall be appointed involuntarily; or

(f) a material breach by the Company of any other material agreement with the Executive shall occur, if such breach continues uncured for thirty (30) days after written notice describing such breach is first given to the Company; *provided, however*, that the Executive shall be permitted to terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given.

8. Termination Following a Change in Control

(a) In addition to the above, during the period commencing on the six (6) month anniversary of a Change in Control (as defined in Section 12) and ending on the two (2) year anniversary of such Change in Control, the Executive may terminate this Agreement upon expiration of ninety (90) days' prior written notice if "Good Reason" exists for the Executive's termination. For this purpose, termination for "Good Reason" shall mean a termination by the Executive of his employment hereunder following the occurrence, without his prior written consent, of any of the following events, unless the Company fully cures all grounds for such termination within thirty (30) days after the Executive's notice:

(i) any material adverse change in the Executive's authority, duties, titles or offices (including reporting responsibility), or any significant increase in the Executive's business travel obligations, from those existing immediately prior to the Change in Control;

(ii) any failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to such Change in Control and which is material to the Executive's total compensation, including, without limitation, to the Company's stock option, bonus and other plans or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or any failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis no less favorable to the Executive, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed immediately prior to such Change in Control;

(iii) any failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's retirement, life insurance, medical, health and accident, or disability plans, programs or arrangements in which the Executive was participating immediately prior to such Change in Control, the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits or deprive the Executive of any perquisite enjoyed by the Executive at the time of such Change in Control, or the failure by the Company to maintain a vacation policy with respect to the Executive that is at least as favorable as the vacation policy (whether formal or informal) in place with respect to the Executive immediately prior to such Change in Control; or

(iv) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company upon a merger, consolidation, sale or similar transaction.

(b) In addition, the Executive may elect to terminate his employment, at his own initiative, for any reason or for no reason, during the six (6) month period commencing on the six (6) month anniversary of a Change in Control of the Company and ending on the one (1) year anniversary of such Change in Control, in which case such termination of employment shall also be deemed to be for "Good Reason".

9. Severance and Benefit Continuation

(a) *Termination for Cause or Voluntary Termination by the Executive.* If the Company terminates this Agreement for Cause pursuant to Section 6(c) hereof, or if the Executive voluntarily terminates this Agreement other than pursuant to Section 7 or 8 hereof (which termination alone shall not constitute a breach of this Agreement), no severance or benefit continuation provisions shall apply; *provided, however,* that the Executive shall have the same opportunity to continue group health benefits at the Executive's expense in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") as is available generally to other employees terminating employment with the Company. All stock options and stock awards (and similar equity rights) held by the Executive that have vested prior to such termination of this Agreement may be exercised by the Executive for a period of ninety (90) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive. For purposes of this Agreement, an election by the Company not to renew this Agreement beyond the end of the then-current Term shall be considered a termination of this Agreement.

(b) *Termination for Death or Disability.* In the event of termination of this Agreement pursuant to Section 6(a) or 6(b) by reason of the death or disability of the Executive, in addition to the Base Salary payments and pro rata annual performance bonus provided for in paragraph (a) or (b) of Section 6, as applicable, the Company shall continue to provide all benefits subject to COBRA, at its sole cost and expense, with respect to the Executive and his dependents for the maximum period provided by COBRA.

(c) *Termination by the Company Without Cause or Termination by the Executive Based on a Material Breach by the Company.* If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7, and in each case the termination of employment does not occur within two (2) years following the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) in accordance with its normal payroll practice an amount equal to two (2) times the Executive's Base Salary at the time of his termination of employment for one (1) year from the date of termination (the "Severance Period"); and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for the Severance Period (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and stock awards (and similar equity rights) that are vested at the time of termination shall remain fully exercisable for a period of one hundred eight (180) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive.

(d) *Termination by the Company Without Cause, Termination by the Executive for Good Reason, or Nonrenewal by the Company Upon a Change in Control*. If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7 or 8, and in each case the termination of employment occurs within two (2) years of the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) a cash lump immediately upon such termination of employment equal to two (2) times the Executive's Base Salary at the time of his termination of employment and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for one (1) year from the date of such termination of employment (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its sole cost and expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and awards of restricted stock (and similar equity rights), all of which shall have become fully vested pursuant to Section 3(d) hereof, shall remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms as if no Change in Control had occurred.

(e) The payments provided in Section 9(c) and 9(d) are intended as enhanced severance for a termination by the Company without Cause, or a termination by the Executive in the circumstances provided. As a condition of receiving such payments, the Executive or his legal representatives, should he have such, shall first execute and deliver a general release of all claims against the Company, its Affiliates, agents and employees (other than any claims or rights pursuant to the Agreement or pursuant to equity or employee benefit plans), in a form and substance satisfactory to the Company. In connection with such release by the Executive, the Company shall execute and deliver a comparable release of claims against the Executive. Notwithstanding the foregoing, the Executive may elect to forego the severance payments provided herein, in which event neither party shall be required to execute a release of the other. Notwithstanding the foregoing provisions of this section 9(e), no release to be granted by the Executive shall be required to cause the Executive to release the Company from, waive, or forego in any way any of the Executive's rights to indemnification under the applicable provisions of the Certificate of Incorporation or By-laws of the Company or any then-existing agreement between the Company and the Executive with respect thereto.

10. Cooperation

Following the termination of his employment, the Executive agrees to cooperate with, and assist, the Company to ensure a smooth transition in management and, if requested by the Company, to make himself available to consult during regular business hours at mutually agreed upon times for up to a three (3) month period thereafter. At any time following the termination of his employment, the Executive will provide such information as the Company may request with respect to any Company- related transaction or other matter in which the Executive was involved in any way while employed by the Company. The Executive further agrees, during the Term of this Agreement and thereafter, to assist and cooperate with the Company in connection with the defense or prosecution of any claim that may be made against, or by, the Company or its Affiliates, in connection with any dispute or claim of any kind involving the Company or its Affiliates, including providing testimony in any proceeding before any arbitral, administrative, judicial, legislative or other body or agency. The Executive shall be entitled to reimbursement for all properly documented expenses reasonably incurred in connection with rendering transition services under this Section, including, without limitation, reimbursement for all reasonable travel, lodging, meal expenses and legal fees.

11. No Mitigation

The Executive shall not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor shall the amount of any payment provided for hereunder be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination of employment by the Company.

12. Definitions

As used herein, the following terms have the following meaning:

(a) "Affiliate" means and includes any person, corporation or other entity controlling, controlled by or under common control with the person, corporation or other entity in question, determined in accordance with Rule 12b-2 under the Securities Exchange Act of 1934, as amended).

(b) "Change in Control" means the occurrence of any of the following events:

(i) Any Person, other than the Company, its Affiliates or any Company employee benefit plan (including any trustee of such plan acting as trustee), is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors ("Voting Securities") of the Company; or

(ii) Individuals who constitute the Board (the "Incumbent Directors"), as of the beginning of any twenty-four (24) month period commencing with the Effective Date of this Agreement, cease for any reason to constitute at least a majority of the directors. Notwithstanding the foregoing, any individual becoming a director subsequent to the beginning of such period, whose election or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Directors, shall be, considered an Incumbent Director; or

(iii) Consummation by the Company of a recapitalization, reorganization, merger, consolidation or other similar transaction (a "Business Combination"), with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Securities immediately prior such Business Combination (the "Incumbent Shareholders") do not, following consummation of all transactions intended to constitute part of such Business Combination, beneficially own, directly or indirectly, fifty percent (50%) or more of the Voting Securities of the corporation, business trust or other entity resulting from or being the surviving entity in such Business Combination, in substantially the same proportion as their ownership of such Voting Securities immediately prior to such Business Combination; or

(iv) Consummation of a complete liquidation or dissolution of the Company, or the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation, business trust or other entity with respect to which, following consummation of all transactions intended to constitute part of such sale or disposition, more than fifty percent (50%) of the combined Voting Securities is then owned beneficially, directly or indirectly, by the Incumbent Shareholders in substantially the same proportion as their ownership of the Voting Securities immediately prior to such sale or disposition.

For purposes of this definition, the following terms shall have the meanings set forth below:

(A) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act;

(B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended; and

(C) "Person" shall have the meaning as used in Sections 13(d) and 14(d) of the Exchange Act.

Notwithstanding the foregoing, the term "Change in Control" shall also have such additional meanings as are permitted or required in guidance issued by the Internal Revenue Service under section 409A of the Code.

(c) "Company's Field of Interest" means the primary businesses of the Company as described in the Company's then two most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the Securities and Exchange Commission or as determined from time to time by the Board during the Term hereof.

13. Representations by Executive.

The Executive represents and warrants that he has full right, power and authority to execute this Agreement and perform his obligations hereunder and that this Agreement has been duly executed by the Executive and such execution and the performance of this Agreement by the Executive do not and will not result in any conflict, breach or violation of or default under any other agreement or any judgment, order or decree to which the Executive is a party or by which he is bound. The Executive acknowledges and agrees that any material breach of the representations set forth in this Section 13 will constitute Cause under Section 6.

14. Section 409A Compliance.

Certain provisions of this employment agreement may be required to comply with Code section 409A. Notwithstanding anything in the Employment Agreement to the contrary, if this Employment Agreement is deemed to be subject to Code section 409A, the parties agree to make any changes necessary to ensure that the Employment Agreement complies with Code section 409A.

15. Arbitration.

The parties shall attempt in good faith to resolve all claims, disputes and other disagreements arising hereunder by negotiation. In the event that a dispute between the parties cannot be resolved within thirty (30) days of written notice from one party to the other party, such dispute shall, at the request of either party, after providing written notice to the other party, be submitted to arbitration in Baltimore, Maryland in accordance with the arbitration rules of the American Arbitration Association then in effect. The notice of arbitration shall specifically describe the claims, disputes or other matters in issue to be submitted to arbitration. The parties shall jointly select a single arbitrator who shall have the authority to hold hearings and to render a decision in accordance with the arbitration rules of the American Arbitration Association. If the parties are unable to agree within ten (10) days, the arbitrator shall be selected by the Chief Judge of the Circuit Court for Baltimore City. The discovery rights and procedures provided by the Federal Rules of Civil Procedure shall be available and enforceable in the arbitration proceeding. The written decision of the arbitrator so appointed shall be conclusive and binding on the parties and enforceable by a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, and each party shall pay for and bear the cost of its or his own experts, evidence and legal counsel, unless the arbitrator rules otherwise in the arbitration. Each party agrees to use its or his best efforts to cause a final decision to be rendered with respect to the matter submitted to arbitration within sixty (60) days after its submission. Notwithstanding the foregoing, the Company shall be free to pursue its rights and remedies under Section 5 hereto in any court of competent jurisdiction, without regard to the arbitral proceedings contemplated by this Section 14.

16. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder or contemplated or in connection herewith shall be in writing and shall be deemed to have been duly given if sent by private overnight mail service (delivery confirmed by such service), registered or certified mail (return receipt requested and received), telecopy (confirmed receipt by return fax from the receiving party) or if delivered personally, as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company:

Sand Hills, Inc.
10900 Pump House Rd.
Annapolis Junction, MD 20701

If to the Executive:

Dale R. Foster
10414 Churchill Way
Laurel, MD 20723

17. Indemnification and Limitation of Liability.

The Corporation acknowledges and agrees that, to the extent permitted by law, the protections afforded by its Articles of Incorporation, as amended, and its Bylaws, as amended, are available to the Executive throughout the Term and thereafter, in accordance with their respective terms.

18. General.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland.

(b) This Agreement, together with the Employee Proprietary Information and Ownership of Inventions Agreement, sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. Notwithstanding the foregoing, in the event that the provisions hereof shall conflict with the terms of any stock option grant agreement, stock award agreement or similar document granting stock options, warrants or similar rights, then the terms hereof shall control.

(c) This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

(d) This Agreement shall be binding upon and inure to the benefit of the legal representatives, heirs, distributees, successors and permitted assigns of the parties hereto. The Company may not assign its rights and obligation under this Agreement without the prior written consent of the Executive, except to a successor to substantially all the Company's business that expressly assumes the Company's obligations hereunder in writing. For purposes of this Agreement, "successors" shall mean any successor by way of share exchange, merger, consolidation, reorganization or similar transaction, or the sale of all or substantially all of the assets of the Company. The Executive may not assign, transfer, alienate or encumber any rights or obligations under this Agreement, except by will or operation of law, *provided* that the Executive may designate beneficiaries to receive any payments permitted under the terms of the Company's benefit plans.

[*Signature Page follows*]

The Company and the Executive acknowledge and agree that this Agreement may be executed in one or more counterparts, each of which will be deemed an original, but together they will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement under its or his seal effective as of the date first above written.

DALE R. FOSTER:

By: /s/ Dale R. Foster
Name: Dale R. Foster

SAND HILLS, INC.:

By: /s/ William J. Ochall
Name: William J. Ochall
Title: Chief Financial Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective as of the 30th day of March, 2012 (the "Effective Date"), by and between Sand Hills, Inc., a Nevada corporation (the "Company"), and William J. Ochall, an individual (the "Executive").

WITNESSETH

WHEREAS, the Company desires to retain the Executive to serve in the capacity of Chief Financial Officer of the Company on the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive desires to accept employment in such capacity on such terms and conditions.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties, intending to be legally bound, agree as follows:

1. Employment Duties and Acceptance

(a) In accordance with the terms of this Agreement, the Company hereby employs the Executive, for the Term (as hereinafter defined), to render full-time services to the Company as Chief Financial Officer and to perform the customary duties and bear the customary responsibilities of such position and such other duties and responsibilities, commensurate with such position, as the Executive shall be directed from time to time by the Board of Directors of the Company (the "Board") to perform or bear, which duties and responsibilities shall be consistent with the provisions of the Bylaws of the Company in effect on the date hereof that relate to or bear upon the duties of Chief Financial Officer all in accordance with the terms of this Agreement.

(b) The Executive hereby accepts such employment and agrees to render the services described above, in accordance with the terms of this Agreement.

(c) The Executive further agrees to accept election and to serve during all or any part of the Term as a director of the Company without any compensation therefor other than that specified in this Agreement, if elected to such position by the Board or the stockholders of the Company. At all times during the Term, the Company shall include the Executive in the management slate for election as a director at every stockholders' meeting at which his term as a director would otherwise expire. At the request of the Board, following termination or expiration of this Agreement, the Executive promptly shall tender his resignation as a director of the Company.

(d) The principal place of employment of the Executive hereunder shall at all times during the Term be in the Columbia, Maryland area or such other location(s) as may be mutually acceptable to the Executive and the Board.

2. Term of Employment

The initial term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and shall end on the third anniversary of the Effective Date (the "Initial Term"), unless sooner terminated by the Company or the Executive pursuant to Section 6, 7 or 8 of this Agreement, as the case may be, or voluntarily by the Executive. Notwithstanding the foregoing, unless notice is given by the Executive or the Company to the other at least three (3) months prior to the expiration of the Term of this Agreement (including at least three (3) months prior to the expiration of any extension hereof, as provided below), the Term automatically shall be extended by one (1) year from the date it would otherwise end (whether upon expiration of the initial Term or any extension(s) thereof), unless sooner terminated pursuant to Section 6, 7 or 8 hereof or voluntarily by the Executive. In the event of such an automatic extension, the term "Term," as used herein, shall include each and any such extension.

3. Compensation and Benefits

(a) As compensation for the services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive, during the period from the Effective Date through and including March 29, 2015, an annual base salary in the amount of one hundred fifty thousand dollars ($150,000.00) (the "Base Salary"). The Executive's Base Salary hereunder shall be reviewed as of June 15th 2013 and at least annually thereafter during the Term of the Agreement for adjustment upward (but not downward) in the discretion of the Board or the Compensation Committee of the Board (the "Compensation Committee"). The Executive's Base Salary, as so adjusted, shall be considered the new Base Salary for all purposes of this Agreement. The Base Salary shall be paid in accordance with the Company's standard payroll practices applicable to its senior executives.

(b) The Company agrees that the Executive shall be eligible for a quarterly performance bonus of up to five thousand dollars ($5,000.00) from the Company with respect to each calendar year quarter of the Company that ends during the Term. The amount of any such performance bonus shall be determined by the Board or the Compensation Committee of the Board in its sole and absolute discretion, consistent with the Company's performance, the Executive's contribution to the Company's performance and the provisions of any such applicable incentive bonus program, policy or practice; *provided, however,* that on an annual basis the aggregate amount of such quarterly performance bonuses shall not exceed twenty-five percent (25%) of the Base Salary for the fiscal year to which the bonus applies except pursuant to a specific finding by the Board or the Compensation Committee of the Board that a higher percentage is appropriate.

(c) The Company shall grant the Executive incentive stock options (the "Inducement Options") under section 422 of the Internal Revenue Code (the "Code") to purchase three hundred thousand (300,000) shares of the Company's common stock, par value $0.0001 per share ("Common Stock") at one hundred ten percent (110%) of the fair market value per share, as determined by the Board (the "Exercise Price") on the date on which the Inducement Options are granted (the "Grant Date"). The Inducement Options shall vest in three (3) equal installments of Inducement Options to purchase 100,000 shares on the first, second and third anniversaries of the Grant Date (each, an "Installment"); *provided* that, if the Executive's employment is terminated by the Company prior to the first anniversary of the Grant Date other than pursuant to Section 6 of this Agreement, the first Installment of Inducement Options shall vest on the date of such termination and the remainder of the Inducement Options shall not vest and shall be forfeited; *further provided* that, if the Executive is not employed by the Company on the second or third anniversary of the Grant Date, the Installments vesting on and after any such anniversary shall not vest and the Inducement Options included therein shall be forfeited. The Inducement Options shall be exercisable, once vested, for a period ending on the fifth anniversary of the Grant Date at the Exercise Price. As soon as practicable after the Grant Date, the Company shall prepare and file with the Securities and Exchange Commission a Registration Statement on Form S-8 covering issuance of the shares underlying the Inducement Options. Such Inducement Options shall be issued under the Company's 2012 Omnibus Stock Option Plan (the "Plan") and shall be evidenced by a separate option agreement which shall be in the standard form issued under the Plan, except as provided above.

(d) The Company agrees to grant to the Executive, during the Term, at the time of its usual annual grant to employees for the applicable year, such options to purchase shares of Common Stock as the Board or the Compensation Committee shall determine. In the event of a Change in Control (as defined in Section 12), all stock options and stock awards (and similar equity rights) granted to the Executive prior to such event, including, without limitation, the Inducement Options to be granted hereunder, shall immediately vest and become and remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms.

(e) The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as may reasonably be required pursuant to the standard policies of the Company in effect from time to time.

(f) During the Term, the Company shall, at its election, reimburse the Executive for term life insurance up to one hundred fifty thousand dollars ($150,000), or provide coverage for the Executive at such level.

(g) During the Term, the Executive shall be eligible for paid vacation of 4 weeks per year after 10years of employment in accordance with the vacation policy of the Company. In the event that Executive does not utilize all of his vacation in any calendar year, he may carry forward up to two (2) weeks (10 days) for up to one (1) calendar year. Unused vacation days shall not otherwise accumulate.

4. Confidentiality

The Executive acknowledges and agrees that the "Employee Proprietary Information and Ownership of Inventions Agreement" shall be deemed incorporated in and made a part of this Employment Agreement. Notwithstanding any other provision of this Agreement, the Executive shall continue to be bound by the terms of such Proprietary Information and Inventions Agreement for a period of five (5) years after the expiration or termination of this Agreement for any reason. The Executive and the Company agree that following expiration or termination of this Agreement for any reason the Proprietary Information and Inventions Agreement shall be applicable only to material, non-public, proprietary information of the Company.

5. Non-Competition, Non-Solicitation and Non-Disparagement

(a) During the Term, the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity without the consent of the Board or (2) participate in the formation of any business or commercial entity without the consent of the Board; *provided, however*, that nothing contained in this Section 5(a) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) not exceeding two percent (2%) of such corporation's (or other entity's) then-outstanding shares of capital stock (or other interests).

(b) If this Agreement is terminated by the Company for Cause (as defined in Section 6(c)) or if the Executive terminates this Agreement other than in accordance with Section 7 or 8 hereof, or if the Executive is receiving Severance Payments in accordance with Section 9(c) or payments under Section 9(d), then for a period of one (1) year following the date of termination the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity in the Company's Field of Interest (as defined in Section 12), (2) solicit any customers or suppliers of the Company, (3) attempt to persuade or encourage customers or suppliers of the Company not to do business with the Company and/or to do business with a competitor of the Company, (4) participate in the formation of any business or commercial entity engaged primarily in the Company's Field of Interest, or (5) directly or indirectly employ, or seek to employ or secure the services in any capacity of, any person employed at that time by the Company or any of its Affiliates, or otherwise encourage or entice any such person to leave such employment; *provided, however, that* nothing contained in this Section 5(b) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) in the Company's Field of Interest not exceeding two percent (2%) of such corporation's (or other entity's) then outstanding shares of capital stock (or other interests). This Section 5(b) shall be subject to written waivers, which may be obtained by the Executive from the Company.

(c) At no time during the Term of this Agreement or thereafter will the Executive knowingly make any written or oral untrue statement or any statement that disparages the Company or its Affiliates or will the Company knowingly make any written or oral untrue statement or any statement that disparages the Executive.

(d) If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of this Section 5, the Company shall have the right and remedy to have the provisions of this Agreement, as the case may be, specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company.

(e) If any of the covenants contained in this Section 5 or any part hereof or thereof, is hereafter construed to be invalid, illegal or unenforceable by a court or regulatory agency or tribunal of competent jurisdiction, such court, agency or tribunal shall have the power, and hereby is directed, to substitute for or limit such provision(s) in order as closely as possible to effectuate the original intent of the parties with respect to such invalid, illegal or unenforceable covenant(s) generally and so to enforce such substituted covenant(s). Subject to the foregoing, the invalidity, illegality or unenforceability of any one or more of the covenants contained in this Section 5 shall not affect the validity of any other provision hereof, which shall be given full effect without regard to the invalid portions.

(f) If any of the covenants contained in this Section 5, or any part hereof or thereof, is held to be unenforceable because of the duration of such provision, the area covered thereby or the extent thereof, the parties agree that the tribunal making such determination shall have the power, and hereby is directed, to reduce the duration, area and/or extent of such provision and, in its reduced form, such provision shall then be enforceable.

(g) Anything else contained in this Agreement to the contrary notwithstanding, the parties hereto intend to and hereby do confer jurisdiction to enforce the covenants contained in this Section 5 A upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold any such covenant wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other state within the geographical scope of such other covenants, as to breaches of such covenants in such other jurisdictions, the above covenants as they relate to each state being, for this purpose, severable into diverse and independent covenants.

6. Termination by the Company

During the Term of this Agreement, the Company may terminate this Agreement, upon expiration of thirty (30) days' prior written notice given by the Company to the Executive (except in the case of the Executive's death), if any one or more of the following shall occur:

(a) The Executive shall die during the Term; *provided, however*, that the Executive's legal representatives shall be entitled to receive (1) the Executive's Base Salary through the date which is ninety (90) days after the Executive's date of death and (2) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the death of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which death occurs. Upon the Executive's death, stock options previously granted to the Executive that are vested and fully exercisable at the time of death shall remain fully exercisable, by the Executive's legal representatives, for a period of one hundred eighty (180) days from the date of death, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior the date of death shall be forfeited.

(b) The Executive shall become physically or mentally disabled so that the Executive is unable substantially to perform his services for (1) a period of one hundred twenty (120) consecutive days or (2) shorter periods aggregating one hundred eighty (180) days during any twelve (12) month period. Notwithstanding such disability the Company shall continue to pay the Executive his Base Salary through the date of such termination. In addition, the Executive shall be entitled to a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination on account of disability of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs. Upon such a disability, stock options previously granted to the Executive that are vested and fully exercisable at the time of disability shall remain fully exercisable, by the Executive or his legal representatives, should he have such, for a period of one hundred eight (180) days from the date of disability, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to the date of disability shall be forfeited by the Executive.

(c) The Executive acts, or fails to act, in a manner that provides Cause for termination. For purposes of this Agreement, the term "Cause" means: (1) the Executive's indictment for, or conviction of, any crime or serious offense involving money or other property that constitutes a felony in the jurisdiction involved; (2) the Executive's willful and ongoing neglect of, or failure to discharge, duties (including fiduciary duties), responsibilities and obligations with respect to the Company hereunder; *provided* such neglect or failure remains uncured for a period of thirty (30) days after written notice describing the same is given to the Executive by the Company; (3) the Executive's violation of any of the non-competition provisions of Section 5 hereof or the Executive's material breach of any provisions of Section 13 hereof hereto; or (4) any act of fraud or embezzlement by the Executive involving the Company or any of its Affiliates.

7. Termination by the Executive

The Executive may terminate this Agreement on written notice to the Company in the event of a material breach of the terms of this Agreement by the Company if such breach continues uncured for thirty (30) days after written notice describing the breach is first given to the Company; *provided, however*, that the Executive may terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given. The Executive may also terminate this Agreement upon written notice to the Company if any one or more of the following shall occur:

(a) loss of material duties or authority of the Chief Financial Officer and such loss continues for thirty (30) days after written notice of such loss is given to the Company;

(b) a Prohibited Event occurs; *provided* that the Executive gives written notice of termination within ninety (90) days after such occurrence and such Prohibited Event is not remedied within thirty (30) days after such notice. For this purpose a "Prohibited Event" exists if the Executive is not continuously Chief Financial Officer of the Company during the Term;

(c) the Company shall make a general assignment for benefit of creditors, or any proceeding shall be instituted by the Company seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, or the Company shall take any corporate action to authorize any of the actions set forth above in this Section 7(c);

(d) an involuntary petition shall be filed or an action or proceeding otherwise commenced against the Company seeking reorganization, arrangement or readjustment of the Company's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing and shall remain undismissed or unstayed for a period of thirty (30) days;

(e) a receiver, assignee, liquidator, trustee or similar officer for the Company or for all or any part of its property shall be appointed involuntarily; or

(f) a material breach by the Company of any other material agreement with the Executive shall occur, if such breach continues uncured for thirty (30) days after written notice describing such breach is first given to the Company; *provided, however*, that the Executive shall be permitted to terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given.

8. Termination Following a Change in Control

(a) In addition to the above, during the period commencing on the six (6) month anniversary of a Change in Control (as defined in Section 12) and ending on the two (2) year anniversary of such Change in Control, the Executive may terminate this Agreement upon expiration of ninety (90) days' prior written notice if "Good Reason" exists for the Executive's termination. For this purpose, termination for "Good Reason" shall mean a termination by the Executive of his employment hereunder following the occurrence, without his prior written consent, of any of the following events, unless the Company fully cures all grounds for such termination within thirty (30) days after the Executive's notice:

(i) any material adverse change in the Executive's authority, duties, titles or offices (including reporting responsibility), or any significant increase in the Executive's business travel obligations, from those existing immediately prior to the Change in Control;

(ii) any failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to such Change in Control and which is material to the Executive's total compensation, including, without limitation, to the Company's stock option, bonus and other plans or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or any failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis no less favorable to the Executive, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed immediately prior to such Change in Control;

(iii) any failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's retirement, life insurance, medical, health and accident, or disability plans, programs or arrangements in which the Executive was participating immediately prior to such Change in Control, the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits or deprive the Executive of any perquisite enjoyed by the Executive at the time of such Change in Control, or the failure by the Company to maintain a vacation policy with respect to the Executive that is at least as favorable as the vacation policy (whether formal or informal) in place with respect to the Executive immediately prior to such Change in Control; or

(iv) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company upon a merger, consolidation, sale or similar transaction.

(b) In addition, the Executive may elect to terminate his employment, at his own initiative, for any reason or for no reason, during the six (6) month period commencing on the six (6) month anniversary of a Change in Control of the Company and ending on the one (1) year anniversary of such Change in Control, in which case such termination of employment shall also be deemed to be for "Good Reason".

9. Severance and Benefit Continuation

(a) *Termination for Cause or Voluntary Termination by the Executive.* If the Company terminates this Agreement for Cause pursuant to Section 6(c) hereof, or if the Executive voluntarily terminates this Agreement other than pursuant to Section 7 or 8 hereof (which termination alone shall not constitute a breach of this Agreement), no severance or benefit continuation provisions shall apply; *provided, however,* that the Executive shall have the same opportunity to continue group health benefits at the Executive's expense in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") as is available generally to other employees terminating employment with the Company. All stock options and stock awards (and similar equity rights) held by the Executive that have vested prior to such termination of this Agreement may be exercised by the Executive for a period of ninety (90) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive. For purposes of this Agreement, an election by the Company not to renew this Agreement beyond the end of the then-current Term shall be considered a termination of this Agreement.

(b) *Termination for Death or Disability.* In the event of termination of this Agreement pursuant to Section 6(a) or 6(b) by reason of the death or disability of the Executive, in addition to the Base Salary payments and pro rata annual performance bonus provided for in paragraph (a) or (b) of Section 6, as applicable, the Company shall continue to provide all benefits subject to COBRA, at its sole cost and expense, with respect to the Executive and his dependents for the maximum period provided by COBRA.

(c) *Termination by the Company Without Cause or Termination by the Executive Based on a Material Breach by the Company.* If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7, and in each case the termination of employment does not occur within two (2) years following the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) in accordance with its normal payroll practice an amount equal to the Executive's Base Salary at the time of his termination of employment for one (1) year from the date of termination (the "Severance Period"); and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for the Severance Period (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and stock awards (and similar equity rights) that are vested at the time of termination shall remain fully exercisable for a period of one hundred eight (180) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive.

(d) *Termination by the Company Without Cause, Termination by the Executive for Good Reason, or Nonrenewal by the Company Upon a Change in Control*. If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7 or 8, and in each case the termination of employment occurs within two (2) years of the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) a cash lump immediately upon such termination of employment equal to the Executive's Base Salary at the time of his termination of employment and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for one (1) year from the date of such termination of employment (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its sole cost and expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and awards of restricted stock (and similar equity rights), all of which shall have become fully vested pursuant to Section 3(d) hereof, shall remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms as if no Change in Control had occurred.

(e) The payments provided in Section 9(c) and 9(d) are intended as enhanced severance for a termination by the Company without Cause, or a termination by the Executive in the circumstances provided. As a condition of receiving such payments, the Executive or his legal representatives, should he have such, shall first execute and deliver a general release of all claims against the Company, its Affiliates, agents and employees (other than any claims or rights pursuant to the Agreement or pursuant to equity or employee benefit plans), in a form and substance satisfactory to the Company. In connection with such release by the Executive, the Company shall execute and deliver a comparable release of claims against the Executive. Notwithstanding the foregoing, the Executive may elect to forego the severance payments provided herein, in which event neither party shall be required to execute a release of the other. Notwithstanding the foregoing provisions of this section 9(e), no release to be granted by the Executive shall be required to cause the Executive to release the Company from, waive, or forego in any way any of the Executive's rights to indemnification under the applicable provisions of the Certificate of Incorporation or By-laws of the Company or any then-existing agreement between the Company and the Executive with respect thereto.

10. Cooperation

Following the termination of his employment, the Executive agrees to cooperate with, and assist, the Company to ensure a smooth transition in management and, if requested by the Company, to make himself available to consult during regular business hours at mutually agreed upon times for up to a three (3) month period thereafter. At any time following the termination of his employment, the Executive will provide such information as the Company may request with respect to any Company- related transaction or other matter in which the Executive was involved in any way while employed by the Company. The Executive further agrees, during the Term of this Agreement and thereafter, to assist and cooperate with the Company in connection with the defense or prosecution of any claim that may be made against, or by, the Company or its Affiliates, in connection with any dispute or claim of any kind involving the Company or its Affiliates, including providing testimony in any proceeding before any arbitral, administrative, judicial, legislative or other body or agency. The Executive shall be entitled to reimbursement for all properly documented expenses reasonably incurred in connection with rendering transition services under this Section, including, without limitation, reimbursement for all reasonable travel, lodging, meal expenses and legal fees.

11. No Mitigation

The Executive shall not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor shall the amount of any payment provided for hereunder be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination of employment by the Company.

12. Definitions

As used herein, the following terms have the following meaning:

(a) "Affiliate" means and includes any person, corporation or other entity controlling, controlled by or under common control with the person, corporation or other entity in question, determined in accordance with Rule 12b-2 under the Securities Exchange Act of 1934, as amended).

(b) "Change in Control" means the occurrence of any of the following events:

(i) Any Person, other than the Company, its Affiliates or any Company employee benefit plan (including any trustee of such plan acting as trustee), is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors ("Voting Securities") of the Company; or

(ii) Individuals who constitute the Board (the "Incumbent Directors"), as of the beginning of any twenty-four (24) month period commencing with the Effective Date of this Agreement, cease for any reason to constitute at least a majority of the directors. Notwithstanding the foregoing, any individual becoming a director subsequent to the beginning of such period, whose election or nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Directors, shall be, considered an Incumbent Director; or

(iii) Consummation by the Company of a recapitalization, reorganization, merger, consolidation or other similar transaction (a "Business Combination"), with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Securities immediately prior such Business Combination (the "Incumbent Shareholders") do not, following consummation of all transactions intended to constitute part of such Business Combination, beneficially own, directly or indirectly, fifty percent (50%) or more of the Voting Securities of the corporation, business trust or other entity resulting from or being the surviving entity in such Business Combination, in substantially the same proportion as their ownership of such Voting Securities immediately prior to such Business Combination; or

(iv) Consummation of a complete liquidation or dissolution of the Company, or the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation, business trust or other entity with respect to which, following consummation of all transactions intended to constitute part of such sale or disposition, more than fifty percent (50%) of the combined Voting Securities is then owned beneficially, directly or indirectly, by the Incumbent Shareholders in substantially the same proportion as their ownership of the Voting Securities immediately prior to such sale or disposition.

For purposes of this definition, the following terms shall have the meanings set forth below:

(A) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act;

(B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended; and

(C) “Person” shall have the meaning as used in Sections 13(d) and 14(d) of the Exchange Act.

Notwithstanding the foregoing, the term “Change in Control” shall also have such additional meanings as are permitted or required in guidance issued by the Internal Revenue Service under section 409A of the Code.

(c) “Company’s Field of Interest” means the primary businesses of the Company as described in the Company’s then two most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the Securities and Exchange Commission or as determined from time to time by the Board during the Term hereof.

13. Representations by Executive.

The Executive represents and warrants that he has full right, power and authority to execute this Agreement and perform his obligations hereunder and that this Agreement has been duly executed by the Executive and such execution and the performance of this Agreement by the Executive do not and will not result in any conflict, breach or violation of or default under any other agreement or any judgment, order or decree to which the Executive is a party or by which he is bound. The Executive acknowledges and agrees that any material breach of the representations set forth in this Section 13 will constitute Cause under Section 6.

14. Section 409A Compliance.

Certain provisions of this employment agreement may be required to comply with Code section 409A. Notwithstanding anything in the Employment Agreement to the contrary, if this Employment Agreement is deemed to be subject to Code section 409A, the parties agree to make any changes necessary to ensure that the Employment Agreement complies with Code section 409A.

15. Arbitration.

The parties shall attempt in good faith to resolve all claims, disputes and other disagreements arising hereunder by negotiation. In the event that a dispute between the parties cannot be resolved within thirty (30) days of written notice from one party to the other party, such dispute shall, at the request of either party, after providing written notice to the other party, be submitted to arbitration in Baltimore, Maryland in accordance with the arbitration rules of the American Arbitration Association then in effect. The notice of arbitration shall specifically describe the claims, disputes or other matters in issue to be submitted to arbitration. The parties shall jointly select a single arbitrator who shall have the authority to hold hearings and to render a decision in accordance with the arbitration rules of the American Arbitration Association. If the parties are unable to agree within ten (10) days, the arbitrator shall be selected by the Chief Judge of the Circuit Court for Baltimore City. The discovery rights and procedures provided by the Federal Rules of Civil Procedure shall be available and enforceable in the arbitration proceeding. The written decision of the arbitrator so appointed shall be conclusive and binding on the parties and enforceable by a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, and each party shall pay for and bear the cost of its or his own experts, evidence and legal counsel, unless the arbitrator rules otherwise in the arbitration. Each party agrees to use its or his best efforts to cause a final decision to be rendered with respect to the matter submitted to arbitration within sixty (60) days after its submission. Notwithstanding the foregoing, the Company shall be free to pursue its rights and remedies under Section 5 hereto in any court of competent jurisdiction, without regard to the arbitral proceedings contemplated by this Section 14.

16. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder or contemplated or in connection herewith shall be in writing and shall be deemed to have been duly given if sent by private overnight mail service (delivery confirmed by such service), registered or certified mail (return receipt requested and received), telecopy (confirmed receipt by return fax from the receiving party) or if delivered personally, as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company:

Sand Hills, Inc.
10900 Pump House Rd.
Annapolis Junction, MD 20701

If to the Executive:

William J. Ochall
2683 Claibourne Road
Annapolis, MD 21403

17. Indemnification and Limitation of Liability.

The Company acknowledges and agrees that, to the extent permitted by law, the protections afforded by its Articles of Incorporation, as amended, and its Bylaws, as amended, are available to the Executive throughout the Term and thereafter, in accordance with their respective terms.

18. General.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland.

(b) This Agreement, together with the Employee Proprietary Information and Ownership of Inventions Agreement, sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. Notwithstanding the foregoing, in the event that the provisions hereof shall conflict with the terms of any stock option grant agreement, stock award agreement or similar document granting stock options, warrants or similar rights, then the terms hereof shall control.

(c) This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

(d) This Agreement shall be binding upon and inure to the benefit of the legal representatives, heirs, distributees, successors and permitted assigns of the parties hereto. The Company may not assign its rights and obligation under this Agreement without the prior written consent of the Executive, except to a successor to substantially all the Company's business that expressly assumes the Company's obligations hereunder in writing. For purposes of this Agreement, "successors" shall mean any successor by way of share exchange, merger, consolidation, reorganization or similar transaction, or the sale of all or substantially all of the assets of the Company. The Executive may not assign, transfer, alienate or encumber any rights or obligations under this Agreement, except by will or operation of law, *provided* that the Executive may designate beneficiaries to receive any payments permitted under the terms of the Company's benefit plans.

[*Signature Page follows*]

The Company and the Executive acknowledge and agree that this Agreement may be executed in one or more counterparts, each of which will be deemed an original, but together they will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement under its or his seal effective as of the date first above written.

WILLIAM J. OCHALL:

By: /s/ William J. Ochal1
Name: William J. Ochall

SAND HILLS, INC.:

By: /s/ Dale R. Foster
Name: Dale R. Foster
Title: Chief Executive Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective as of the 30th day of March, 2012 (the "Effective Date"), by and between Promark Technology, Inc. a Maryland corporation (the "Company"), and Charles E. Bass, an individual (the "Executive").

WITNESSETH

WHEREAS, the Company desires to retain the Executive to serve in the capacity of Vice President – Alliances of the Company on the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive desires to accept employment in such capacity on such terms and conditions.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties, intending to be legally bound, agree as follows:

1. Employment Duties and Acceptance

(a) In accordance with the terms of this Agreement, the Company hereby employs the Executive, for the Term (as hereinafter defined), to render full-time services to the Company as Vice President – Alliances and to perform the customary duties and bear the customary responsibilities of such position and such other duties and responsibilities, commensurate with such position, as the Executive shall be directed from time to time by the Board of Directors of the Company (the "Board") to perform or bear, which duties and responsibilities shall be consistent with the provisions of the Bylaws of the Company in effect on the date hereof that relate to or bear upon the duties of Vice President Alliances, all in accordance with the terms of this Agreement.

(b) The Executive hereby accepts such employment and agrees to render the services described above, in accordance with the terms of this Agreement.

(c) The principal place of employment of the Executive hereunder shall at all times during the Term be in the Carmel, Indiana area or such other location(s) as may be mutually acceptable to the Executive and the Board.

2. Term of Employment

The initial term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and shall end on the third anniversary of the Effective Date (the "Initial Term"), unless sooner terminated by the Company or the Executive pursuant to Section 6, 7 or 8 of this Agreement, as the case may be, or voluntarily by the Executive. Notwithstanding the foregoing, unless notice is given by the Executive or the Company to the other at least three (3) months prior to the expiration of the Term of this Agreement (including at least three (3) months prior to the expiration of any extension hereof, as provided below), the Term automatically shall be extended by one (1) year from the date it would otherwise end (whether upon expiration of the initial Term or any extension(s) thereof), unless sooner terminated pursuant to Section 6, 7 or 8 hereof or voluntarily by the Executive. In the event of such an automatic extension, the term "Term," as used herein, shall include each and any such extension.

3. Compensation and Benefits

(a) As compensation for the services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive, during the period from the Effective Date through and including March 29, 2015, an annual base salary in the amount of two hundred twenty-five thousand dollars ($225,000.00) (the "Base Salary"). The Executive's Base Salary hereunder shall be reviewed as of June 15th 2012 and at least annually thereafter during the Term of the Agreement for adjustment upward (but not downward) in the discretion of the Board or the Compensation Committee of the Board (the "Compensation Committee"). The Executive's Base Salary, as so adjusted, shall be considered the new Base Salary for all purposes of this Agreement. The Base Salary shall be paid in accordance with the Company's standard payroll practices applicable to its senior executives.

(b) The Company agrees that the Executive shall be eligible for a quarterly performance bonus of up to thirteen thousand seven hundred fifty dollars ($13,750.00) from the Company with respect to each calendar year quarter of the Company that ends during the Term, pursuant to the Company's management incentive bonus program, or policy or practice of the Board or Compensation Committee, in effect from time to time. The amount of any such performance bonus shall be determined by the Board or the Compensation Committee of the Board in its sole and absolute discretion, consistent with the Company's performance, the Executive's contribution to the Company's performance and the provisions of any such applicable incentive bonus program, policy or practice; *provided, however,* that on an annual basis the aggregate amount of such quarterly performance bonuses shall not exceed twenty-five percent (25%) of the Base Salary for the fiscal year to which the bonus applies except pursuant to a specific finding by the Board or the Compensation Committee of the Board that a higher percentage is appropriate.

(c) The Company is the wholly-owned, indirect subsidiary of Sand Hills, Inc., a Nevada corporation ("Parent"). The Board of Directors of Parent (the "Parent Board") or the Compensation Committee of the Parent Board (the "Parent Compensation Committee") shall grant the Executive incentive stock options (the "Inducement Options") issued under section 422 of the Internal Revenue Code of 1986 (the "Code") to purchase three hundred thousand (300,000) shares of common stock of Parent, par value $0.0001 per share ("Parent Common Stock") at one hundred ten percent (110%) of the fair market value per share of Parent Common Stock, as determined by the Parent Board (the "Exercise Price") on the date on which the Inducement Options are granted (the "Grant Date"). The Inducement Options shall vest in three (3) equal installments of Inducement Options to purchase 100,000 shares on the first, second and third anniversaries of the Grant Date (each, an "Installment"); *provided* that, if the Executive's employment is terminated by the Company prior to the first anniversary of the Grant Date other than pursuant to Section 6 of this Agreement, the first Installment of Inducement Options shall vest on the date of such termination and the remainder of the Inducement Options shall not vest and shall be forfeited; *further provided* that, if the Executive is not employed by the Company on the second or third anniversary of the Grant Date, the Installments vesting on and after any such anniversary shall not vest and the Inducement Options included therein shall be forfeited. The Inducement Options shall be exercisable, once vested, for a period ending on the fifth anniversary of the Grant Date at the Exercise Price. As soon as practicable after the Grant Date, Parent shall prepare and file with the Securities and Exchange Commission a Registration Statement on Form S-8 covering issuance of the shares underlying the Inducement Options. Such Inducement Options shall be issued under Parent's 2012 Omnibus Stock Option Plan (the "Plan") and shall be evidenced by a separate option agreement which shall be in the standard form issued under the Plan, except as provided above.

(d) During the Term, at the time of the Company's usual annual grant to employees for the applicable year, the Parent Board or the Parent Compensation Committee will grant to Executive such options to purchase shares of Parent Common Stock as the Parent Board or the Parent Compensation Committee shall determine. In the event of a Change in Control (as defined in Section 12), all stock options and stock awards (and similar equity rights) granted to the Executive prior to such event, including, without limitation, the Inducement Options to be granted hereunder, shall immediately vest and become and remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms.

(e) The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as may reasonably be required pursuant to the standard policies of the Company in effect from time to time.

(f) During the Term, the Company shall, at its election, reimburse the Executive for term life insurance up to a maximum of one hundred fifty thousand dollars ($150,000), or provide coverage for the Executive at such level.

(g) During the Term, the Executive shall be eligible for paid vacation of 3 weeks per year and 4 weeks per year after 10 years of employment in accordance with the vacation policy of the Company. In the event that Executive does not utilize all of his vacation in any calendar year, he may carry forward up to two (2) weeks (ten (10) days) for up to one (1) calendar year. Unused vacation days shall not otherwise accumulate.

4. Confidentiality

The Executive acknowledges and agrees that the "Employee Proprietary Information and Ownership of Inventions Agreement" shall be deemed incorporated in and made a part of this Employment Agreement. Notwithstanding any other provision of this Agreement, the Executive shall continue to be bound by the terms of such Proprietary Information and Inventions Agreement for a period of five (5) years after the expiration or termination of this Agreement for any reason. The Executive and the Company agree that following expiration or termination of this Agreement for any reason the Proprietary Information and Inventions Agreement shall be applicable only to material, non-public, proprietary information of the Company.

5. Non-Competition, Non-Solicitation and Non-Disparagement

(a) During the Term, the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity without the consent of the Board or (2) participate in the formation of any business or commercial entity without the consent of the Board; *provided, however*, that nothing contained in this Section 5(a) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) not exceeding two percent (2%) of such corporation's (or other entity's) then-outstanding shares of capital stock (or other interests).

(b) If this Agreement is terminated by the Company for Cause (as defined in Section 6(c)) or if the Executive terminates this Agreement other than in accordance with Section 7 or 8 hereof, or if the Executive is receiving Severance Payments in accordance with Section 9(c) or payments under Section 9(d), then for a period of one (1) year following the date of termination the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity in the Company's Field of Interest (as defined in Section 12), (2) solicit any customers or suppliers of the Company, (3) attempt to persuade or encourage customers or suppliers of the Company not to do business with the Company and/or to do business with a competitor of the Company, (4) participate in the formation of any business or commercial entity engaged primarily in the Company's Field of Interest, or (5) directly or indirectly employ, or seek to employ or secure the services in any capacity of, any person employed at that time by the Company or any of its Affiliates, or otherwise encourage or entice any such person to leave such employment; *provided, however, that* nothing contained in this Section 5(b) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) in the Company's Field of Interest not exceeding two percent (2%) of such corporation's (or other entity's) then outstanding shares of capital stock (or other interests). This Section 5(b) shall be subject to written waivers, which may be obtained by the Executive from the Company.

(c) At no time during the Term of this Agreement or thereafter will the Executive knowingly make any written or oral untrue statement or any statement that disparages the Company or its Affiliates or will the Company knowingly make any written or oral untrue statement or any statement that disparages the Executive.

(d) If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of this Section 5, the Company shall have the right and remedy to have the provisions of this Agreement, as the case may be, specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company.

(e) If any of the covenants contained in this Section 5 or any part hereof or thereof, is hereafter construed to be invalid, illegal or unenforceable by a court or regulatory agency or tribunal of competent jurisdiction, such court, agency or tribunal shall have the power, and hereby is directed, to substitute for or limit such provision(s) in order as closely as possible to effectuate the original intent of the parties with respect to such invalid, illegal or unenforceable covenant(s) generally and so to enforce such substituted covenant(s). Subject to the foregoing, the invalidity, illegality or unenforceability of any one or more of the covenants contained in this Section 5 shall not affect the validity of any other provision hereof, which shall be given full effect without regard to the invalid portions.

(f) If any of the covenants contained in this Section 5, or any part hereof or thereof, is held to be unenforceable because of the duration of such provision, the area covered thereby or the extent thereof, the parties agree that the tribunal making such determination shall have the power, and hereby is directed, to reduce the duration, area and/or extent of such provision and, in its reduced form, such provision shall then be enforceable.

(g) Anything else contained in this Agreement to the contrary notwithstanding, the parties hereto intend to and hereby do confer jurisdiction to enforce the covenants contained in this Section 5 A upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold any such covenant wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other state within the geographical scope of such other covenants, as to breaches of such covenants in such other jurisdictions, the above covenants as they relate to each state being, for this purpose, severable into diverse and independent covenants.

6. Termination by the Company

During the Term of this Agreement, the Company may terminate this Agreement, upon expiration of thirty (30) days' prior written notice given by the Company to the Executive (except in the case of the Executive's death), if any one or more of the following shall occur:

(a) The Executive shall die during the Term; *provided, however*, that the Executive's legal representatives shall be entitled to receive (1) the Executive's Base Salary through the date which is ninety (90) days after the Executive's date of death and (2) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the death of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which death occurs. Upon the Executive's death, stock options previously granted to the Executive that are vested and fully exercisable at the time of death shall remain fully exercisable, by the Executive's legal representatives, for a period of one hundred eighty (180) days from the date of death, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior the date of death shall be forfeited.

(b) The Executive shall become physically or mentally disabled so that the Executive is unable substantially to perform his services for (1) a period of one hundred twenty (120) consecutive days or (2) shorter periods aggregating one hundred eighty (180) days during any twelve (12) month period. Notwithstanding such disability the Company shall continue to pay the Executive his Base Salary through the date of such termination. In addition, the Executive shall be entitled to a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination on account of disability of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs. Upon such a disability, stock options previously granted to the Executive that are vested and fully exercisable at the time of disability shall remain fully exercisable, by the Executive or his legal representatives, should he have such, for a period of one hundred eight (180) days from the date of disability, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to the date of disability shall be forfeited by the Executive.

(c) The Executive acts, or fails to act, in a manner that provides Cause for termination. For purposes of this Agreement, the term "Cause" means: (1) the Executive's indictment for, or conviction of, any crime or serious offense involving money or other property that constitutes a felony in the jurisdiction involved; (2) the Executive's willful and ongoing neglect of, or failure to discharge, duties (including fiduciary duties), responsibilities and obligations with respect to the Company hereunder; *provided* such neglect or failure remains uncured for a period of thirty (30) days after written notice describing the same is given to the Executive by the Company; (3) the Executive's violation of any of the non-competition provisions of Section 5 hereof or the Executive's material breach of any provisions of Section 13 hereof hereto; or (4) any act of fraud or embezzlement by the Executive involving the Company or any of its Affiliates.

7. Termination by the Executive

The Executive may terminate this Agreement on written notice to the Company in the event of a material breach of the terms of this Agreement by the Company if such breach continues uncured for thirty (30) days after written notice describing the breach is first given to the Company; *provided, however*, that the Executive may terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given. The Executive may also terminate this Agreement upon written notice to the Company if any one or more of the following shall occur:

(a) loss of material duties or authority of the Vice President – Alliances, and such loss continues for thirty (30) days after written notice of such loss is given to the Company;

(b) a Prohibited Event occurs; *provided* that the Executive gives written notice of termination within ninety (90) days after such occurrence and such Prohibited Event is not remedied within thirty (30) days after such notice. For this purpose a "Prohibited Event" exists if the Executive is not continuously Vice President - Alliances of the Company during the Term;

(c) the Company shall make a general assignment for benefit of creditors, or any proceeding shall be instituted by the Company seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, or the Company shall take any corporate action to authorize any of the actions set forth above in this Section 7(c);

(d) an involuntary petition shall be filed or an action or proceeding otherwise commenced against the Company seeking reorganization, arrangement or readjustment of the Company's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing and shall remain undismissed or unstayed for a period of thirty (30) days;

(e) a receiver, assignee, liquidator, trustee or similar officer for the Company or for all or any part of its property shall be appointed involuntarily; or

(f) a material breach by the Company of any other material agreement with the Executive shall occur, if such breach continues uncured for thirty (30) days after written notice describing such breach is first given to the Company; *provided, however*, that the Executive shall be permitted to terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given.

8. Termination Following a Change in Control

(a) In addition to the above, during the period commencing on the six (6) month anniversary of a Change in Control (as defined in Section 12) and ending on the two (2) year anniversary of such Change in Control, the Executive may terminate this Agreement upon expiration of ninety (90) days' prior written notice if "Good Reason" exists for the Executive's termination. For this purpose, termination for "Good Reason" shall mean a termination by the Executive of his employment hereunder following the occurrence, without his prior written consent, of any of the following events, unless the Company fully cures all grounds for such termination within thirty (30) days after the Executive's notice:

(i) any material adverse change in the Executive's authority, duties, titles or offices (including reporting responsibility), or any significant increase in the Executive's business travel obligations, from those existing immediately prior to the Change in Control;

(ii) any failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to such Change in Control and which is material to the Executive's total compensation, including, without limitation, to the Company's stock option, bonus and other plans or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or any failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis no less favorable to the Executive, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed immediately prior to such Change in Control;

(iii) any failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's retirement, life insurance, medical, health and accident, or disability plans, programs or arrangements in which the Executive was participating immediately prior to such Change in Control, the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits or deprive the Executive of any perquisite enjoyed by the Executive at the time of such Change in Control, or the failure by the Company to maintain a vacation policy with respect to the Executive that is at least as favorable as the vacation policy (whether formal or informal) in place with respect to the Executive immediately prior to such Change in Control; or

(iv) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company upon a merger, consolidation, sale or similar transaction.

(b) In addition, the Executive may elect to terminate his employment, at his own initiative, for any reason or for no reason, during the six (6) month period commencing on the six (6) month anniversary of a Change in Control of the Company and ending on the one (1) year anniversary of such Change in Control, in which case such termination of employment shall also be deemed to be for "Good Reason".

9. Severance and Benefit Continuation

(a) *Termination for Cause or Voluntary Termination by the Executive.* If the Company terminates this Agreement for Cause pursuant to Section 6(c) hereof, or if the Executive voluntarily terminates this Agreement other than pursuant to Section 7 or 8 hereof (which termination alone shall not constitute a breach of this Agreement), no severance or benefit continuation provisions shall apply; *provided, however,* that the Executive shall have the same opportunity to continue group health benefits at the Executive's expense in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") as is available generally to other employees terminating employment with the Company. All stock options and stock awards (and similar equity rights) held by the Executive that have vested prior to such termination of this Agreement may be exercised by the Executive for a period of ninety (90) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive. For purposes of this Agreement, an election by the Company not to renew this Agreement beyond the end of the then-current Term shall be considered a termination of this Agreement.

(b) *Termination for Death or Disability.* In the event of termination of this Agreement pursuant to Section 6(a) or 6(b) by reason of the death or disability of the Executive, in addition to the Base Salary payments and pro rata annual performance bonus provided for in paragraph (a) or (b) of Section 6, as applicable, the Company shall continue to provide all benefits subject to COBRA, at its sole cost and expense, with respect to the Executive and his dependents for the maximum period provided by COBRA.

(c) *Termination by the Company Without Cause or Termination by the Executive Based on a Material Breach by the Company.* If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7, and in each case the termination of employment does not occur within two (2) years following the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) in accordance with its normal payroll practice an amount equal to the Executive's Base Salary at the time of his termination of employment for one (1) year from the date of termination (the "Severance Period"); and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for the Severance Period (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and stock awards (and similar equity rights) that are vested at the time of termination shall remain fully exercisable for a period of one hundred eight (180) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive.

(d) *Termination by the Company Without Cause, Termination by the Executive for Good Reason, or Nonrenewal by the Company Upon a Change in Control*. If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7 or 8, and in each case the termination of employment occurs within two (2) years of the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) a cash lump immediately upon such termination of employment equal to the Executive's Base Salary at the time of his termination of employment; and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for one (1) year from the date of such termination of employment (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its sole cost and expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and awards of restricted stock (and similar equity rights), all of which shall have become fully vested pursuant to Section 3(d) hereof, shall remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms as if no Change in Control had occurred.

(e) The payments provided in Section 9(c) and 9(d) are intended as enhanced severance for a termination by the Company without Cause, or a termination by the Executive in the circumstances provided. As a condition of receiving such payments, the Executive or his legal representatives, should he have such, shall first execute and deliver a general release of all claims against the Company, its Affiliates, agents and employees (other than any claims or rights pursuant to the Agreement or pursuant to equity or employee benefit plans), in a form and substance satisfactory to the Company. In connection with such release by the Executive, the Company shall execute and deliver a comparable release of claims against the Executive. Notwithstanding the foregoing, the Executive may elect to forego the severance payments provided herein, in which event neither party shall be required to execute a release of the other. Notwithstanding the foregoing provisions of this section 9(e), no release to be granted by the Executive shall be required to cause the Executive to release the Company from, waive, or forego in any way any of the Executive's rights to indemnification under the applicable provisions of the Certificate of Incorporation or By-laws of the Company or any then-existing agreement between the Company and the Executive with respect thereto.

10. Cooperation

Following the termination of his employment, the Executive agrees to cooperate with, and assist, the Company to ensure a smooth transition in management and, if requested by the Company, to make himself available to consult during regular business hours at mutually agreed upon times for up to a three (3) month period thereafter. At any time following the termination of his employment, the Executive will provide such information as the Company may request with respect to any Company- related transaction or other matter in which the Executive was involved in any way while employed by the Company. The Executive further agrees, during the Term of this Agreement and thereafter, to assist and cooperate with the Company in connection with the defense or prosecution of any claim that may be made against, or by, the Company or its Affiliates, in connection with any dispute or claim of any kind involving the Company or its Affiliates, including providing testimony in any proceeding before any arbitral, administrative, judicial, legislative or other body or agency. The Executive shall be entitled to reimbursement for all properly documented expenses reasonably incurred in connection with rendering transition services under this Section, including, without limitation, reimbursement for all reasonable travel, lodging, meal expenses and legal fees.

11. No Mitigation

The Executive shall not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor shall the amount of any payment provided for hereunder be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination of employment by the Company.

12. Definitions

As used herein, the following terms have the following meaning:

(a) "Affiliate" means and includes any person, corporation or other entity controlling, controlled by or under common control with the person, corporation or other entity in question, determined in accordance with Rule 12b-2 under the Securities Exchange Act of 1934, as amended).

(b) “Change in Control” means the occurrence of any of the following events:

(i) Any Person, other than the Company, its Affiliates or any Company employee benefit plan (including any trustee of such plan acting as trustee), is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors (“Voting Securities”) of the Company; or

(ii) Individuals who constitute the Board (the “Incumbent Directors”), as of the beginning of any twenty-four (24) month period commencing with the Effective Date of this Agreement, cease for any reason to constitute at least a majority of the directors. Notwithstanding the foregoing, any individual becoming a director subsequent to the beginning of such period, whose election or nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Directors, shall be, considered an Incumbent Director; or

(iii) Consummation by the Company of a recapitalization, reorganization, merger, consolidation or other similar transaction (a “Business Combination”), with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Securities immediately prior such Business Combination (the “Incumbent Shareholders”) do not, following consummation of all transactions intended to constitute part of such Business Combination, beneficially own, directly or indirectly, fifty percent (50%) or more of the Voting Securities of the corporation, business trust or other entity resulting from or being the surviving entity in such Business Combination, in substantially the same proportion as their ownership of such Voting Securities immediately prior to such Business Combination; or

(iv) Consummation of a complete liquidation or dissolution of the Company, or the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation, business trust or other entity with respect to which, following consummation of all transactions intended to constitute part of such sale or disposition, more than fifty percent (50%) of the combined Voting Securities is then owned beneficially, directly or indirectly, by the Incumbent Shareholders in substantially the same proportion as their ownership of the Voting Securities immediately prior to such sale or disposition.

For purposes of this definition, the following terms shall have the meanings set forth below:

(A) “Beneficial Owner” shall have the meaning set forth in Rule 13d-3 under the Exchange Act;

(B) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended; and

(C) “Person” shall have the meaning as used in Sections 13(d) and 14(d) of the Exchange Act.

Notwithstanding the foregoing, the term “Change in Control” shall also have such additional meanings as are permitted or required in guidance issued by the Internal Revenue Service under section 409A of the Code.

(c) “Company’s Field of Interest” means the primary businesses of the Company as described in Parent’s then two most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the Securities and Exchange Commission or as determined from time to time by the Board during the Term hereof.

13. Representations by Executive.

The Executive represents and warrants that he has full right, power and authority to execute this Agreement and perform his obligations hereunder and that this Agreement has been duly executed by the Executive and such execution and the performance of this Agreement by the Executive do not and will not result in any conflict, breach or violation of or default under any other agreement or any judgment, order or decree to which the Executive is a party or by which he is bound. The Executive acknowledges and agrees that any material breach of the representations set forth in this Section 13 will constitute Cause under Section 6.

14. Section 409A Compliance.

Certain provisions of this employment agreement may be required to comply with Code section 409A. Notwithstanding anything in the Employment Agreement to the contrary, if this Employment Agreement is deemed to be subject to Code section 409A, the parties agree to make any changes necessary to ensure that the Employment Agreement complies with Code section 409A.

15. Arbitration.

The parties shall attempt in good faith to resolve all claims, disputes and other disagreements arising hereunder by negotiation. In the event that a dispute between the parties cannot be resolved within thirty (30) days of written notice from one party to the other party, such dispute shall, at the request of either party, after providing written notice to the other party, be submitted to arbitration in Baltimore, Maryland in accordance with the arbitration rules of the American Arbitration Association then in effect. The notice of arbitration shall specifically describe the claims, disputes or other matters in issue to be submitted to arbitration. The parties shall jointly select a single arbitrator who shall have the authority to hold hearings and to render a decision in accordance with the arbitration rules of the American Arbitration Association. If the parties are unable to agree within ten (10) days, the arbitrator shall be selected by the Chief Judge of the Circuit Court for Baltimore City. The discovery rights and procedures provided by the Federal Rules of Civil Procedure shall be available and enforceable in the arbitration proceeding. The written decision of the arbitrator so appointed shall be conclusive and binding on the parties and enforceable by a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, and each party shall pay for and bear the cost of its or his own experts, evidence and legal counsel, unless the arbitrator rules otherwise in the arbitration. Each party agrees to use its or his best efforts to cause a final decision to be rendered with respect to the matter submitted to arbitration within sixty (60) days after its submission. Notwithstanding the foregoing, the Company shall be free to pursue its rights and remedies under Section 5 hereto in any court of competent jurisdiction, without regard to the arbitral proceedings contemplated by this Section 14.

16. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder or contemplated or in connection herewith shall be in writing and shall be deemed to have been duly given if sent by private overnight mail service (delivery confirmed by such service), registered or certified mail (return receipt requested and received), telecopy (confirmed receipt by return fax from the receiving party) or if delivered personally, as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company:

Promark Technology, Inc.
10900 Pump House Rd.
Annapolis Junction, MD 20701

If to the Executive:

Charles E. Bass
12427 Bayhill Drive
Carmel, IN 46033

17. Indemnification and Limitation of Liability.

The Company acknowledges and agrees that, to the extent permitted by law, the protections afforded by its Articles of Incorporation, as amended, and its Bylaws, as amended, are available to the Executive throughout the Term and thereafter, in accordance with their respective terms.

18. General.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland.

(b) This Agreement, together with the Employee Proprietary Information and Ownership of Inventions Agreement, sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. Notwithstanding the foregoing, in the event that the provisions hereof shall conflict with the terms of any stock option grant agreement, stock award agreement or similar document granting stock options, warrants or similar rights, then the terms hereof shall control.

(c) This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

(d) This Agreement shall be binding upon and inure to the benefit of the legal representatives, heirs, distributees, successors and permitted assigns of the parties hereto. The Company may not assign its rights and obligation under this Agreement without the prior written consent of the Executive, except to a successor to substantially all the Company's business that expressly assumes the Company's obligations hereunder in writing. For purposes of this Agreement, "successors" shall mean any successor by way of share exchange, merger, consolidation, reorganization or similar transaction, or the sale of all or substantially all of the assets of the Company. The Executive may not assign, transfer, alienate or encumber any rights or obligations under this Agreement, except by will or operation of law, *provided* that the Executive may designate beneficiaries to receive any payments permitted under the terms of the Company's benefit plans.

[*Signature Page follows*]

The Company and the Executive acknowledge and agree that this Agreement may be executed in one or more counterparts, each of which will be deemed an original, but together they will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement under its or his seal effective as of the date first above written.

CHARLES E. BASS:

By: /s/ Charles E. Bass
Name: Charles E. Bass

PROMARK TECHNOLOGY, INC.

By: /s/ Dale R. Foster
Name: Dale R. Foster
Title: Chief Executive Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into effective as of the 30th day of March, 2012 (the "Effective Date"), by and between Promark Technology, Inc. a Maryland corporation (the "Company"), and Stephen T. Hartung, an individual (the "Executive").

WITNESSETH

WHEREAS, the Company desires to retain the Executive to serve in the capacity of Vice President of the Company on the terms and conditions set forth in this Agreement; and

WHEREAS, the Executive desires to accept employment in such capacity on such terms and conditions.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties, intending to be legally bound, agree as follows:

1. Employment Duties and Acceptance

(a) In accordance with the terms of this Agreement, the Company hereby employs the Executive, for the Term (as hereinafter defined), to render full-time services to the Company as Vice President and to perform the customary duties and bear the customary responsibilities of such position and such other duties and responsibilities, commensurate with such position, as the Executive shall be directed from time to time by the Board of Directors of the Company (the "Board") to perform or bear, which duties and responsibilities shall be consistent with the provisions of the Bylaws of the Company in effect on the date hereof that relate to or bear upon the duties of Vice President, all in accordance with the terms of this Agreement.

(b) The Executive hereby accepts such employment and agrees to render the services described above, in accordance with the terms of this Agreement.

(c) The principal place of employment of the Executive hereunder shall at all times during the Term be in the Columbia, Maryland area or such other location(s) as may be mutually acceptable to the Executive and the Board.

2. Term of Employment

The initial term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and shall end on the third anniversary of the Effective Date (the "Initial Term"), unless sooner terminated by the Company or the Executive pursuant to Section 6, 7 or 8 of this Agreement, as the case may be, or voluntarily by the Executive. Notwithstanding the foregoing, unless notice is given by the Executive or the Company to the other at least three (3) months prior to the expiration of the Term of this Agreement (including at least three (3) months prior to the expiration of any extension hereof, as provided below), the Term automatically shall be extended by one (1) year from the date it would otherwise end (whether upon expiration of the initial Term or any extension(s) thereof), unless sooner terminated pursuant to Section 6, 7 or 8 hereof or voluntarily by the Executive. In the event of such an automatic extension, the term "Term," as used herein, shall include each and any such extension.

3. Compensation and Benefits

(a) As compensation for the services to be rendered pursuant to this Agreement, the Company agrees to pay the Executive, during the period from the Effective Date through and including March 29, 2015, an annual base salary in the amount of one hundred fifty thousand dollars ($150,000.00) (the "Base Salary"). The Executive's Base Salary hereunder shall be reviewed as of June 15th 2013 and at least annually thereafter during the Term of the Agreement for adjustment upward (but not downward) in the discretion of the Board or the Compensation Committee of the Board (the "Compensation Committee"). The Executive's Base Salary, as so adjusted, shall be considered the new Base Salary for all purposes of this Agreement. The Base Salary shall be paid in accordance with the Company's standard payroll practices applicable to its senior executives.

(b) The Company agrees that the Executive shall be eligible for a quarterly performance bonus of up to seven thousand dollars ($7,000.00) from the Company with respect to each calendar year quarter of the Company that ends during the Term, pursuant to the Company's management incentive bonus program, or policy or practice of the Board or Compensation Committee, in effect from time to time. The amount of any such performance bonus shall be determined by the Board or the Compensation Committee of the Board in its sole and absolute discretion, consistent with the Company's performance, the Executive's contribution to the Company's performance and the provisions of any such applicable incentive bonus program, policy or practice; *provided, however,* that on an annual basis the aggregate amount of such quarterly performance bonuses shall not exceed twenty-five percent (25%) of the Base Salary for the fiscal year to which the bonus applies except pursuant to a specific finding by the Board or the Compensation Committee of the Board that a higher percentage is appropriate.

(c) The Company is the wholly-owned, indirect subsidiary of Sand Hills, Inc., a Nevada corporation ("Parent"). The Board of Directors of Parent (the "Parent Board") or the Compensation Committee of the Parent Board (the "Parent Compensation Committee") shall grant the Executive incentive options (the "Inducement Options") issued under section 422 of the Internal Revenue Code of 1986 (the "Code") to purchase three hundred thousand (300,000) shares of common stock of Parent, par value $0.0001 per share ("Parent Common Stock") at one hundred ten percent (110%) of the fair market value per share of Parent Common Stock, as determined by the Parent Board (the "Exercise Price") on the date on which the Inducement Options are granted (the "Grant Date"). The Inducement Options shall vest in three (3) equal installments of Inducement Options to purchase 100,000 shares on the first, second and third anniversaries of the Grant Date (each, an "Installment"); *provided* that, if the Executive's employment is terminated by the Company prior to the first anniversary of the Grant Date other than pursuant to Section 6 of this Agreement, the first Installment of Inducement Options shall vest on the date of such termination and the remainder of the Inducement Options shall not vest and shall be forfeited; *further provided* that, if the Executive is not employed by the Company on the second, third or fourth anniversary of the Grant Date, the Installments vesting on and after any such anniversary shall not vest and the Inducement Options included therein shall be forfeited. The Inducement Options shall be exercisable, once vested, for a period ending on the fifth anniversary of the Grant Date at the Exercise Price. As soon as practicable after the Grant Date, Parent shall prepare and file with the Securities and Exchange Commission a Registration Statement on Form S-8 covering issuance of the Shares underlying the Inducement Options. Such Inducement Options shall be issued under Parent's 2012 Omnibus Stock Option Plan (the "Plan") and shall be evidenced by a separate option agreement which shall be in the standard form issued under the Plan, except as provided above.

(d) During the Term, at the time of the Company's usual annual grant to employees for the applicable year, the Parent Board or the Parent Compensation Committee will grant to Executive such options to purchase shares of Parent Common Stock as the Parent Board or the Parent Compensation Committee shall determine. In the event of a Change in Control (as defined in Section 12), all stock options and stock awards (and similar equity rights) granted to the Executive prior to such event, including, without limitation, the Inducement Options to be granted hereunder, shall immediately vest and become and remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms.

(e) The Company shall pay or reimburse the Executive for all reasonable expenses actually incurred or paid by the Executive during the Term in the performance of services under this Agreement, upon presentation of expense statements or vouchers or such other supporting information as may reasonably be required pursuant to the standard policies of the Company in effect from time to time.

(f) During the Term, the Company shall, at its election, reimburse the Executive for term life insurance up to a maximum of one hundred fifty thousand dollars ($150,000), or provide coverage for the Executive at such level.

(g) During the Term, the Executive shall be eligible for paid vacation of 4 weeks per year after 10 years of employment in accordance with the vacation policy of the Company. In the event that Executive does not utilize all of his vacation in any calendar year, he may carry forward up to two (2) weeks (10 days) for up to one (1) calendar year. Unused vacation days shall not otherwise accumulate.

4. Confidentiality

The Executive acknowledges and agrees that the "Employee Proprietary Information and Ownership of Inventions Agreement" shall be deemed incorporated in and made a part of this Employment Agreement. Notwithstanding any other provision of this Agreement, the Executive shall continue to be bound by the terms of such Proprietary Information and Inventions Agreement for a period of five (5) years after the expiration or termination of this Agreement for any reason. The Executive and the Company agree that following expiration or termination of this Agreement for any reason the Proprietary Information and Inventions Agreement shall be applicable only to material, non-public, proprietary information of the Company.

5. Non-Competition, Non-Solicitation and Non-Disparagement

(a) During the Term, the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity without the consent of the Board or (2) participate in the formation of any business or commercial entity without the consent of the Board; *provided, however*, that nothing contained in this Section 5(a) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) not exceeding two percent (2%) of such corporation's (or other entity's) then-outstanding shares of capital stock (or other interests).

(b) If this Agreement is terminated by the Company for Cause (as defined in Section 6(c)) or if the Executive terminates this Agreement other than in accordance with Section 7 or 8 hereof, or if the Executive is receiving Severance Payments in accordance with Section 9(c) or payments under Section 9(d), then for a period of one (1) year following the date of termination the Executive shall not (1) provide any services, directly or indirectly, to any other business or commercial entity in the Company's Field of Interest (as defined in Section 12), (2) solicit any customers or suppliers of the Company, (3) attempt to persuade or encourage customers or suppliers of the Company not to do business with the Company and/or to do business with a competitor of the Company, (4) participate in the formation of any business or commercial entity engaged primarily in the Company's Field of Interest, or (5) directly or indirectly employ, or seek to employ or secure the services in any capacity of, any person employed at that time by the Company or any of its Affiliates, or otherwise encourage or entice any such person to leave such employment; *provided, however, that* nothing contained in this Section 5(b) shall be deemed to prohibit the Executive from acquiring, solely as an investment, shares of capital stock (or other interests) of any corporation (or other entity) in the Company's Field of Interest not exceeding two percent (2%) of such corporation's (or other entity's) then outstanding shares of capital stock (or other interests). This Section 5(b) shall be subject to written waivers, which may be obtained by the Executive from the Company.

(c) At no time during the Term of this Agreement or thereafter will the Executive knowingly make any written or oral untrue statement or any statement that disparages the Company or its Affiliates or will the Company knowingly make any written or oral untrue statement or any statement that disparages the Executive.

(d) If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of this Section 5, the Company shall have the right and remedy to have the provisions of this Agreement, as the case may be, specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company.

(e) If any of the covenants contained in this Section 5 or any part hereof or thereof, is hereafter construed to be invalid, illegal or unenforceable by a court or regulatory agency or tribunal of competent jurisdiction, such court, agency or tribunal shall have the power, and hereby is directed, to substitute for or limit such provision(s) in order as closely as possible to effectuate the original intent of the parties with respect to such invalid, illegal or unenforceable covenant(s) generally and so to enforce such substituted covenant(s). Subject to the foregoing, the invalidity, illegality or unenforceability of any one or more of the covenants contained in this Section 5 shall not affect the validity of any other provision hereof, which shall be given full effect without regard to the invalid portions.

(f) If any of the covenants contained in this Section 5, or any part hereof or thereof, is held to be unenforceable because of the duration of such provision, the area covered thereby or the extent thereof, the parties agree that the tribunal making such determination shall have the power, and hereby is directed, to reduce the duration, area and/or extent of such provision and, in its reduced form, such provision shall then be enforceable.

(g) Anything else contained in this Agreement to the contrary notwithstanding, the parties hereto intend to and hereby do confer jurisdiction to enforce the covenants contained in this Section 5 A upon the courts of any state within the geographical scope of such covenants. In the event that the courts of any one or more of such states shall hold any such covenant wholly unenforceable by reason of the breadth of such scope or otherwise, it is the intention of the parties hereto that such determination not bar or in any way affect the Company's right to the relief provided above in the courts of any other state within the geographical scope of such other covenants, as to breaches of such covenants in such other jurisdictions, the above covenants as they relate to each state being, for this purpose, severable into diverse and independent covenants.

6. Termination by the Company

During the Term of this Agreement, the Company may terminate this Agreement, upon expiration of thirty (30) days' prior written notice given by the Company to the Executive (except in the case of the Executive's death), if any one or more of the following shall occur:

(a) The Executive shall die during the Term; *provided, however*, that the Executive's legal representatives shall be entitled to receive (1) the Executive's Base Salary through the date which is ninety (90) days after the Executive's date of death and (2) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the death of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which death occurs. Upon the Executive's death, stock options previously granted to the Executive that are vested and fully exercisable at the time of death shall remain fully exercisable, by the Executive's legal representatives, for a period of one hundred eighty (180) days from the date of death, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior the date of death shall be forfeited.

(b) The Executive shall become physically or mentally disabled so that the Executive is unable substantially to perform his services for (1) a period of one hundred twenty (120) consecutive days or (2) shorter periods aggregating one hundred eighty (180) days during any twelve (12) month period. Notwithstanding such disability the Company shall continue to pay the Executive his Base Salary through the date of such termination. In addition, the Executive shall be entitled to a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination on account of disability of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs. Upon such a disability, stock options previously granted to the Executive that are vested and fully exercisable at the time of disability shall remain fully exercisable, by the Executive or his legal representatives, should he have such, for a period of one hundred eight (180) days from the date of disability, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to the date of disability shall be forfeited by the Executive.

(c) The Executive acts, or fails to act, in a manner that provides Cause for termination. For purposes of this Agreement, the term "Cause" means: (1) the Executive's indictment for, or conviction of, any crime or serious offense involving money or other property that constitutes a felony in the jurisdiction involved; (2) the Executive's willful and ongoing neglect of, or failure to discharge, duties (including fiduciary duties), responsibilities and obligations with respect to the Company hereunder; *provided* such neglect or failure remains uncured for a period of thirty (30) days after written notice describing the same is given to the Executive by the Company; (3) the Executive's violation of any of the non-competition provisions of Section 5 hereof or the Executive's material breach of any provisions of Section 13 hereof hereto; or (4) any act of fraud or embezzlement by the Executive involving the Company or any of its Affiliates.

7. Termination by the Executive

The Executive may terminate this Agreement on written notice to the Company in the event of a material breach of the terms of this Agreement by the Company if such breach continues uncured for thirty (30) days after written notice describing the breach is first given to the Company; *provided, however*, that the Executive may terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given. The Executive may also terminate this Agreement upon written notice to the Company if any one or more of the following shall occur:

(a) loss of material duties or authority of the Vice President, and such loss continues for thirty (30) days after written notice of such loss is given to the Company;

(b) a Prohibited Event occurs; *provided* that the Executive gives written notice of termination within ninety (90) days after such occurrence and such Prohibited Event is not remedied within thirty (30) days after such notice. For this purpose a "Prohibited Event" exists if the Executive is not continuously Vice President of the Company during the Term;

(c) the Company shall make a general assignment for benefit of creditors, or any proceeding shall be instituted by the Company seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, or the Company shall take any corporate action to authorize any of the actions set forth above in this Section 7(c);

(d) an involuntary petition shall be filed or an action or proceeding otherwise commenced against the Company seeking reorganization, arrangement or readjustment of the Company's debts or for any other relief under the Federal Bankruptcy Code, as amended, or under any other bankruptcy or insolvency act or law, state or federal, now or hereafter existing and shall remain undismissed or unstayed for a period of thirty (30) days;

(e) a receiver, assignee, liquidator, trustee or similar officer for the Company or for all or any part of its property shall be appointed involuntarily; or

(f) a material breach by the Company of any other material agreement with the Executive shall occur, if such breach continues uncured for thirty (30) days after written notice describing such breach is first given to the Company; *provided, however*, that the Executive shall be permitted to terminate this Agreement if such breach is for the payment of money and continues uncured for ten (10) days after written notice describing such breach is first given.

8. Termination Following a Change in Control

(a) In addition to the above, during the period commencing on the six (6) month anniversary of a Change in Control (as defined in Section 12) and ending on the two (2) year anniversary of such Change in Control, the Executive may terminate this Agreement upon expiration of ninety (90) days' prior written notice if "Good Reason" exists for the Executive's termination. For this purpose, termination for "Good Reason" shall mean a termination by the Executive of his employment hereunder following the occurrence, without his prior written consent, of any of the following events, unless the Company fully cures all grounds for such termination within thirty (30) days after the Executive's notice:

(i) any material adverse change in the Executive's authority, duties, titles or offices (including reporting responsibility), or any significant increase in the Executive's business travel obligations, from those existing immediately prior to the Change in Control;

(ii) any failure by the Company to continue in effect any compensation plan in which the Executive participated immediately prior to such Change in Control and which is material to the Executive's total compensation, including, without limitation, to the Company's stock option, bonus and other plans or any substitute plans adopted prior to the Change in Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or any failure by the Company to continue the Executive's participation therein (or in such substitute or alternative plan) on a basis no less favorable to the Executive, both in terms of the amount of benefits provided and the level of the Executive's participation relative to other participants, as existed immediately prior to such Change in Control;

(iii) any failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by the Executive under any of the Company's retirement, life insurance, medical, health and accident, or disability plans, programs or arrangements in which the Executive was participating immediately prior to such Change in Control, the taking of any action by the Company that would directly or indirectly materially reduce any of such benefits or deprive the Executive of any perquisite enjoyed by the Executive at the time of such Change in Control, or the failure by the Company to maintain a vacation policy with respect to the Executive that is at least as favorable as the vacation policy (whether formal or informal) in place with respect to the Executive immediately prior to such Change in Control; or

(iv) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company upon a merger, consolidation, sale or similar transaction.

(b) In addition, the Executive may elect to terminate his employment, at his own initiative, for any reason or for no reason, during the six (6) month period commencing on the six (6) month anniversary of a Change in Control of the Company and ending on the one (1) year anniversary of such Change in Control, in which case such termination of employment shall also be deemed to be for "Good Reason".

9. Severance and Benefit Continuation

(a) *Termination for Cause or Voluntary Termination by the Executive.* If the Company terminates this Agreement for Cause pursuant to Section 6(c) hereof, or if the Executive voluntarily terminates this Agreement other than pursuant to Section 7 or 8 hereof (which termination alone shall not constitute a breach of this Agreement), no severance or benefit continuation provisions shall apply; *provided, however,* that the Executive shall have the same opportunity to continue group health benefits at the Executive's expense in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") as is available generally to other employees terminating employment with the Company. All stock options and stock awards (and similar equity rights) held by the Executive that have vested prior to such termination of this Agreement may be exercised by the Executive for a period of ninety (90) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive. For purposes of this Agreement, an election by the Company not to renew this Agreement beyond the end of the then-current Term shall be considered a termination of this Agreement.

(b) *Termination for Death or Disability.* In the event of termination of this Agreement pursuant to Section 6(a) or 6(b) by reason of the death or disability of the Executive, in addition to the Base Salary payments and pro rata annual performance bonus provided for in paragraph (a) or (b) of Section 6, as applicable, the Company shall continue to provide all benefits subject to COBRA, at its sole cost and expense, with respect to the Executive and his dependents for the maximum period provided by COBRA.

(c) *Termination by the Company Without Cause or Termination by the Executive Based on a Material Breach by the Company.* If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7, and in each case the termination of employment does not occur within two (2) years following the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) in accordance with its normal payroll practice an amount equal to the Executive's Base Salary at the time of his termination of employment for one (1) year from the date of termination (the "Severance Period"); and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for the Severance Period (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and stock awards (and similar equity rights) that are vested at the time of termination shall remain fully exercisable for a period of one hundred eight (180) days after the date of termination, at which time they shall automatically be forfeited if not exercised. All stock options and stock awards (and similar equity rights) that have not vested prior to such termination shall be forfeited by the Executive.

(d) *Termination by the Company Without Cause, Termination by the Executive for Good Reason, or Nonrenewal by the Company Upon a Change in Control*. If (1) the Company terminates this Agreement other than pursuant to Section 6 hereof or (2) the Executive terminates this Agreement pursuant to Section 7 or 8, and in each case the termination of employment occurs within two (2) years of the consummation of a Change in Control of the Company, then:

(i) the Company shall pay the Executive (x) a cash lump immediately upon such termination of employment equal to the Executive's Base Salary at the time of his termination of employment and (y) a pro rata annual performance bonus (prorated by multiplying the full year bonus that otherwise would be due by the percentage derived from dividing the number of days in the then-current year prior to the termination of the Executive by three hundred sixty-five (365)) with respect to the fiscal year of the Company during which such termination occurs;

(ii) all Company employee benefit plans and programs, other than participation in any Company tax-qualified retirement plan, applicable to the Executive shall be continued for one (1) year from the date of such termination of employment (or, if such benefits are not available, or cannot be provided due to applicable law, the Company shall pay the Executive a lump sum cash amount equal to the after-tax economic equivalent thereof; *provided* that, with respect to any benefit to be provided on an insured basis, such lump sum cash value shall be the present value of the premiums expected to be paid for such coverage, and with respect to other benefits, such value shall be the present value of the expected cost to the Company of providing such benefits). In the case of all benefits subject to COBRA, the Company shall continue to provide such benefits at its sole cost and expense with respect to the Executive and his dependents for the maximum period provided by COBRA; and

(iii) all stock options and awards of restricted stock (and similar equity rights), all of which shall have become fully vested pursuant to Section 3(d) hereof, shall remain fully exercisable through their respective original terms and otherwise in accordance with their respective original terms as if no Change in Control had occurred.

(e) The payments provided in Section 9(c) and 9(d) are intended as enhanced severance for a termination by the Company without Cause, or a termination by the Executive in the circumstances provided. As a condition of receiving such payments, the Executive or his legal representatives, should he have such, shall first execute and deliver a general release of all claims against the Company, its Affiliates, agents and employees (other than any claims or rights pursuant to the Agreement or pursuant to equity or employee benefit plans), in a form and substance satisfactory to the Company. In connection with such release by the Executive, the Company shall execute and deliver a comparable release of claims against the Executive. Notwithstanding the foregoing, the Executive may elect to forego the severance payments provided herein, in which event neither party shall be required to execute a release of the other. Notwithstanding the foregoing provisions of this section 9(e), no release to be granted by the Executive shall be required to cause the Executive to release the Company from, waive, or forego in any way any of the Executive's rights to indemnification under the applicable provisions of the Certificate of Incorporation or By-laws of the Company or any then-existing agreement between the Company and the Executive with respect thereto.

10. Cooperation

Following the termination of his employment, the Executive agrees to cooperate with, and assist, the Company to ensure a smooth transition in management and, if requested by the Company, to make himself available to consult during regular business hours at mutually agreed upon times for up to a three (3) month period thereafter. At any time following the termination of his employment, the Executive will provide such information as the Company may request with respect to any Company- related transaction or other matter in which the Executive was involved in any way while employed by the Company. The Executive further agrees, during the Term of this Agreement and thereafter, to assist and cooperate with the Company in connection with the defense or prosecution of any claim that may be made against, or by, the Company or its Affiliates, in connection with any dispute or claim of any kind involving the Company or its Affiliates, including providing testimony in any proceeding before any arbitral, administrative, judicial, legislative or other body or agency. The Executive shall be entitled to reimbursement for all properly documented expenses reasonably incurred in connection with rendering transition services under this Section, including, without limitation, reimbursement for all reasonable travel, lodging, meal expenses and legal fees.

11. No Mitigation

The Executive shall not be required to mitigate the amount of any payment provided for hereunder by seeking other employment or otherwise, nor shall the amount of any payment provided for hereunder be reduced by any compensation earned by the Executive as the result of employment by another employer after the date of termination of employment by the Company.

12. Definitions

As used herein, the following terms have the following meaning:

(a) "Affiliate" means and includes any person, corporation or other entity controlling, controlled by or under common control with the person, corporation or other entity in question, determined in accordance with Rule 12b-2 under the Securities Exchange Act of 1934, as amended).

(b) “Change in Control” means the occurrence of any of the following events:

(i) Any Person, other than the Company, its Affiliates or any Company employee benefit plan (including any trustee of such plan acting as trustee), is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors (“Voting Securities”) of the Company; or

(ii) Individuals who constitute the Board (the “Incumbent Directors”), as of the beginning of any twenty-four (24) month period commencing with the Effective Date of this Agreement, cease for any reason to constitute at least a majority of the directors. Notwithstanding the foregoing, any individual becoming a director subsequent to the beginning of such period, whose election or nomination for election by the Company’s stockholders, was approved by a vote of at least two-thirds (2/3) of the directors then comprising the Incumbent Directors, shall be, considered an Incumbent Director; or

(iii) Consummation by the Company of a recapitalization, reorganization, merger, consolidation or other similar transaction (a “Business Combination”), with respect to which all or substantially all of the individuals and entities who were the beneficial owners of the Voting Securities immediately prior such Business Combination (the “Incumbent Shareholders”) do not, following consummation of all transactions intended to constitute part of such Business Combination, beneficially own, directly or indirectly, fifty percent (50%) or more of the Voting Securities of the corporation, business trust or other entity resulting from or being the surviving entity in such Business Combination, in substantially the same proportion as their ownership of such Voting Securities immediately prior to such Business Combination; or

(iv) Consummation of a complete liquidation or dissolution of the Company, or the sale or other disposition of all or substantially all of the assets of the Company, other than to a corporation, business trust or other entity with respect to which, following consummation of all transactions intended to constitute part of such sale or disposition, more than fifty percent (50%) of the combined Voting Securities is then owned beneficially, directly or indirectly, by the Incumbent Shareholders in substantially the same proportion as their ownership of the Voting Securities immediately prior to such sale or disposition.

For purposes of this definition, the following terms shall have the meanings set forth below:

(A) “Beneficial Owner” shall have the meaning set forth in Rule 13d-3 under the Exchange Act;

(B) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended; and

(C) “Person” shall have the meaning as used in Sections 13(d) and 14(d) of the Exchange Act.

Notwithstanding the foregoing, the term “Change in Control” shall also have such additional meanings as are permitted or required in guidance issued by the Internal Revenue Service under section 409A of the Code.

(c) “Company’s Field of Interest” means the primary businesses of the Company as described in the Parent’s then two most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed with the Securities and Exchange Commission or as determined from time to time by the Board during the Term hereof.

13. Representations by Executive.

The Executive represents and warrants that he has full right, power and authority to execute this Agreement and perform his obligations hereunder and that this Agreement has been duly executed by the Executive and such execution and the performance of this Agreement by the Executive do not and will not result in any conflict, breach or violation of or default under any other agreement or any judgment, order or decree to which the Executive is a party or by which he is bound. The Executive acknowledges and agrees that any material breach of the representations set forth in this Section 13 will constitute Cause under Section 6.

14. Section 409A Compliance.

Certain provisions of this employment agreement may be required to comply with Code section 409A. Notwithstanding anything in the Employment Agreement to the contrary, if this Employment Agreement is deemed to be subject to Code section 409A, the parties agree to make any changes necessary to ensure that the Employment Agreement complies with Code section 409A.

15. Arbitration.

The parties shall attempt in good faith to resolve all claims, disputes and other disagreements arising hereunder by negotiation. In the event that a dispute between the parties cannot be resolved within thirty (30) days of written notice from one party to the other party, such dispute shall, at the request of either party, after providing written notice to the other party, be submitted to arbitration in Baltimore, Maryland in accordance with the arbitration rules of the American Arbitration Association then in effect. The notice of arbitration shall specifically describe the claims, disputes or other matters in issue to be submitted to arbitration. The parties shall jointly select a single arbitrator who shall have the authority to hold hearings and to render a decision in accordance with the arbitration rules of the American Arbitration Association. If the parties are unable to agree within ten (10) days, the arbitrator shall be selected by the Chief Judge of the Circuit Court for Baltimore City. The discovery rights and procedures provided by the Federal Rules of Civil Procedure shall be available and enforceable in the arbitration proceeding. The written decision of the arbitrator so appointed shall be conclusive and binding on the parties and enforceable by a court of competent jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, and each party shall pay for and bear the cost of its or his own experts, evidence and legal counsel, unless the arbitrator rules otherwise in the arbitration. Each party agrees to use its or his best efforts to cause a final decision to be rendered with respect to the matter submitted to arbitration within sixty (60) days after its submission. Notwithstanding the foregoing, the Company shall be free to pursue its rights and remedies under Section 5 hereto in any court of competent jurisdiction, without regard to the arbitral proceedings contemplated by this Section 14.

16. Notices.

All notices, requests, consents and other communications required or permitted to be given hereunder or contemplated or in connection herewith shall be in writing and shall be deemed to have been duly given if sent by private overnight mail service (delivery confirmed by such service), registered or certified mail (return receipt requested and received), telecopy (confirmed receipt by return fax from the receiving party) or if delivered personally, as follows (or to such other address as either party shall designate by notice in writing to the other in accordance herewith):

If to the Company:

Promark Technology, Inc.
10900 Pump House Rd.
Annapolis Junction, MD 20701

If to the Executive:

Stephen T. Hartung
9106 Bramble Place
Annandale, VA 22003

17. Indemnification and Limitation of Liability.

The Company acknowledges and agrees that, to the extent permitted by law, the protections afforded by its Articles of Incorporation, as amended, and its Bylaws, as amended, are available to the Executive throughout the Term and thereafter, in accordance with their respective terms.

18. General.

(a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland.

(b) This Agreement, together with the Employee Proprietary Information and Ownership of Inventions Agreement, sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. Notwithstanding the foregoing, in the event that the provisions hereof shall conflict with the terms of any stock option grant agreement, stock award agreement or similar document granting stock options, warrants or similar rights, then the terms hereof shall control.

(c) This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. The failure of a party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by a party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, or any one or more or continuing waivers of any such breach, shall constitute a waiver of the breach of any other term or covenant contained in this Agreement.

(d) This Agreement shall be binding upon and inure to the benefit of the legal representatives, heirs, distributees, successors and permitted assigns of the parties hereto. The Company may not assign its rights and obligation under this Agreement without the prior written consent of the Executive, except to a successor to substantially all the Company's business that expressly assumes the Company's obligations hereunder in writing. For purposes of this Agreement, "successors" shall mean any successor by way of share exchange, merger, consolidation, reorganization or similar transaction, or the sale of all or substantially all of the assets of the Company. The Executive may not assign, transfer, alienate or encumber any rights or obligations under this Agreement, except by will or operation of law, *provided* that the Executive may designate beneficiaries to receive any payments permitted under the terms of the Company's benefit plans.

[*Signature Page follows*]

The Company and the Executive acknowledge and agree that this Agreement may be executed in one or more counterparts, each of which will be deemed an original, but together they will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement under its or his seal effective as of the date first above written.

STEPHEN T. HARTUNG:

By: s/ Stephen T. Hartung
Name: Stephen T. Hartung

PROMARK TECHNOLOGY, INC.

By: /s/ Dale R. Foster
Name: Dale R. Foster
Title: Chief Executive Officer

OFFICE/WAREHOUSE LEASE AGREEMENT

THIS LEASE, made this 20th day of March, 2006 by and between Creative Developments, LLC, a Maryland limited liability company ("Landlord"), and Promark Technology, Inc. a Maryland corporation ("Tenant");

WITNESSETH:

1. **LEASED PREMISES**. Landlord hereby demises and leases to Tenant that certain space in the building owned by Landlord located in Howard County, Maryland at 10900 Pump House Road, Annapolis Junction, which space contains approximately 9,000 square feet of space, as more fully described on **Exhibit A**, attached hereto and made a part hereof (hereinafter referred to as the "Premises", the "Demised Premises", the "Leased Premises" or words of similar import), plus the use of all common areas in and about Landlord's building and the real estate thereunder (hereinafter referred to as the "Total Property")

Tenant has inspected the Premises and accepts the same in its present "AS IS" condition, acknowledging that the Premises are in good order and satisfactory condition and suitable for the purposes for which they are leased.

2. **USE**. The Premises shall be used only for the purpose of general offices and/or receiving, storing and shipping materials, products and merchandise made and/or distributed by Tenant. Landlord warrants that, to its actual knowledge and belief, but with no independent investigation or other due diligence, such uses are permitted under applicable laws, ordinances and regulations. Outside storage including, without limitation, drop shipments, dock storage, trucks and other vehicles, is prohibited without Landlord's prior written consent. Tenant shall obtain, at Tenant's sole cost and expense, any and all licenses and permits necessary for Tenant's contemplated use of the Premises. Tenant shall comply with all existing and future governmental laws, ordinances and regulations applicable to the use of the Premises, as well as all requirements of Landlord's insurance carrier. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action which would constitute a nuisance or which disturbs or endangers any third-party tenants of the Total Property, or unreasonably interfere with such third-party tenants' use of their respective space. Tenant shall not receive, store or otherwise handle any product, material or merchandise which is explosive or highly inflammable. Tenant shall comply with all statutes, ordinances, rules, codes, regulations and requirements of any federal, state, municipal or other governmental or. quasi-governmental authority with respect to any hazardous wastes (as such term is defined from time to time by any governmental or regulatory authority) which are stored, produced, manufactured, treated or disposed of by Tenant within the Premises; and Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all liabilities or claims by reason of any injury to persons or damage to property arising out of the discharge, disbursement, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hazardous wastes, liquid or gasses, waste materials or other irritants, contaminants or pollutants into or about the Premises or the Total Property, which originate from any products stored, produced, manufactured, treated, or disposed of by Tenant within the Premises. Landlord hereby represents and warrants to Tenant that, to the best of Landlord's actual knowledge and belief, but with no independent investigation or other due diligence except for the obtainment of any environmental report, incidental to its acquisition of the total property, neither the Total Property nor the Leased Premises contain any hazardous substances in violation of any environmental laws. Landlord shall indemnify, reimburse and hold harmless Tenant, its officers, directors, shareholders, members, partners, agents and employees from and against any damages, claims, judgments, fines, penalties, costs, liabilities (including sums paid in settlement of claims) or loss including reasonable attorneys' fees, reasonable consultants' fees, and reasonable expert fees incurred by any of them to the extent resulting from Landlord's use, handling, generation, treatment, storage, disposal, other management or release of any hazardous substance at or from the Leased Premises or the Total Property, whether or not Landlord has acted negligently with respect to such hazardous substance, and from a breach of Landlord's representation and warranty herein. The aforesaid indemnification and defenses shall survive the term of this Lease. Tenant shall comply with all Rules and Regulations, with respect to the Total Property. A copy of the Rules and Regulations is attached hereto as Exhibit C. The Rules and Regulations may be altered or amended by Landlord from time to time.

3. **TERM.** Landlord shall deliver possession of the Premises in the condition required under Section 1 to the Tenant, which shall occur after this lease has been fully executed by both parties, and the lease has been delivered to both parties. The term of this Lease shall be ten (10) years and four (4) months, commencing on the date that Landlord delivers the space per this Section 3.

4. **RENT.** Tenant shall pay the following Base Rent and Additional Rent (hereinafter collectively referred to as "Rent") during the term of this Lease, in advance, on the first day of each calendar month, or as otherwise set forth in this Lease, without setoff or deduction, at the office of Landlord. Payment of the first month's rent due hereunder shall be paid at the time of the execution of this Lease by Tenant. In the event any Rent is due for a partial calendar month or year, the Rent shall be equitably adjusted to reflect that portion of the lease term within such month or year. All accrued Rent shall survive the Lease term.

(a) **Base.** Tenant shall pay to Landlord, as Base Rent in the first lease year (each such lease year, a "Lease Year") which shall be, the sum of Seventy-Three Thousand Fifty-Nine and 31/100 Dollars ($73,059.31), per year, payable in equal monthly installments of Six Thousand Eighty-Eight and 28/100 Dollars ($6,088.28) each. Notwithstanding the foregoing, Tenant shall not be required to pay Base Rent for the first four (4) months of the Lease term. The aforegoing Base Rent for the first Lease Year is calculated based upon the total aggregate cost of Landlord's Tenant Improvements being One Hundred Thousand and No/100 Dollars ($100,000.00) (the "Landlord's Tenant Improvements Cost Base Amount"). Said Tenant Improvements Costs Base Amount shall be fully amortized over the 10 years Lease term at an interest rate of eight percent (8%) per annum and is included in the aforementioned Base Rent amount. Each Lease Year shall be comprised of complete twelve (12) month periods. The first and the last Lease Year will include any portion of the first and last calendar month of term, as the case may be, if the commencement of the term shall be on other than the first day of a calendar year. This Base Rent shall increase by two and one-half percent (2.5%) compounded on each anniversary date of the commencement of the Lease.

(b) **Additional.** Tenant shall pay to Landlord, as Additional Rent, Tenant's pro rata share of the CAM expenses (as such term is hereinafter defined) incurred by Landlord for and on behalf of the Total Property; and, in addition thereto, Tenant shall pay to Landlord, as Additional Rent, Tenant's pro rata share of any Taxes and Insurance (as such terms are hereinafter defined) payable by Landlord in the then Total Property's fiscal year. These charges shall be estimated by Landlord, paid monthly by Tenant, and reconciled in March of each succeeding year.

(i) **Taxes**. Taxes shall include, without limitation, any tax, assessment, or governmental charge (herein collectively referred to as "Taxes") imposed against the Total Property, or against any of Landlord's personal property located therein. Taxes, as herein defined, are predicated upon the present system of taxation in the state of Maryland. Therefore, if due to a future change in the method of taxation any rent, franchise, use, profit or other tax shall be levied against Landlord in lieu of any Tax which would otherwise constitute a "real estate tax", such rent, franchise, use, profit or other tax shall be deemed to be a Tax for the purposes herein. In the event Landlord is assessed with a Tax which Landlord, in its sole discretion, deems excessive, Landlord may challenge said Tax or may defer compliance therewith to the extent legally permitted; and, in such an event, Tenant shall be liable for Tenant's pro rata share of all reasonable costs in connection with such challenge.

(ii) Insurance. Insurance shall include, without limitation, premiums for liability, property damage, fire, workers compensation, rent and any and all other insurance (herein collectively referred to as "Insurance") which Landlord deems necessary to carry on, for, or in connection with Landlord's operation of the Total Property, including Insurance to be carried by Landlord pursuant to the provisions of Section 19 hereof. In addition thereto, in the event Tenant's use of the Premises shall result in an increase of any of Landlord's Insurance premiums, Tenant shall pay to Landlord, upon demand, as Additional Rent, an amount equal to such increase in Insurance. Such payments of Insurance premiums shall be in addition to all premiums of insurance which Tenant is required to carry pursuant to Section 19 of this Lease.

(iii) Common Area Maintenance. Common area maintenance charges (hereinafter referred to as "CAM" expenses) shall include by way of example but not as a limitation, without limitation: the maintenance, repair and replacement, if necessary, of the downspouts, gutters, access roads, driveways, sidewalks and passageways; trunk-line plumbing (as opposed to branch-line plumbing); common utilities and exterior lighting; landscaping; snow removal; fire protection; exterior painting; interior painting of the common areas of the Total Property; management fees; asset management fees; and all other expenses incurred by Landlord for or on behalf of the Total Property. Notwithstanding the aforesaid, in no event shall CAM expenses include any expense chargeable to a capital account or capital improvement under generally accepted accounting principles as currently employed by Landlord, except for capital expenditures necessary to comply with government regulations or law or capital expenditures which will reasonably reduce operating costs, and except that CAM expenses may include the amortization or depreciation of capital improvements (other than the existing building improvements) or equipment utilized in connection with the operation and maintenance of the Total Property over the useful lives of such capital improvements and equipment; nor shall CAM expenses include any cost associated with leasing, including but not limited to brokerage fees, advertising and tenant improvements.

In addition to the aforesaid, Landlord reserves the right to perform any or all of the repairs and maintenance covenanted to be performed by Tenant pursuant to Section 8, below; and, in such event, Tenant shall pay to Landlord, as Additional Rent, Landlord's reasonable costs of such repairs and maintenance.

(iv) **Payment of Additional Rent.** Landlord shall invoice Tenant monthly or otherwise from time to time, for Tenant's pro rata share of the Taxes, Insurance and CAM expenses, as reasonably estimated by Landlord; and Tenant shall pay to Landlord, as Additional Rent, those amounts for which Tenant is invoiced within thirty (30) days after receipt of said invoice. Any monies paid in advance to Landlord by Tenant shall not accrue interest thereon. At the end of each calendar year or property fiscal year, Landlord shall deliver a statement to Tenant setting forth the difference between Tenant's actual pro rata share of Taxes, Insurance and/or CAM expenses and the total amount of monthly payments paid by Tenant to Landlord. Tenant shall thereafter pay to Landlord the full amount of any difference between Tenant's actual obligation over the total amount of Tenant's estimated payments within thirty (30) days after receipt of said statement; conversely, in the event Tenant's estimated payments exceed Tenant's actual obligation, Landlord shall refund the overpayment to Tenant or credit the amount to the next installments of CAM due. For purposes of this Lease, Tenant's pro rata share is hereinafter defined as a fraction, the numerator of which shall be the square footage of the Premises, and the denominator of which shall be the square footage of the Total Property, which pro rata share is hereby agreed to be equal to fifty percent (50%). In the event this Lease expires on a date other than the end of a billing period, Tenant's obligation with respect to any amounts owed to Landlord shall survive the expiration of the lease term, and shall be invoiced to Tenant when the same have been accurately determined or, at Landlord's option, such amounts shall be reasonably estimated by Landlord to reflect the period of time the Lease was in effect during such billing period.

Landlord shall maintain complete and accurate records of all Taxes, Insurance and CAM expenses incurred in connection with the Total Property. Tenant shall have the right to inspect such records at Tenant's sole cost and expense, at the office of Landlord's managing agent during said agent's normal business hours, upon ten (10) days prior written notice once a calendar year.

5. **LATE CHARGE.** In the event Tenant is late by more than ten (10) business days in the payment of any Rent, additional rent, or other charge due Landlord, Tenant shall pay a late charge for Landlord's increased administrative expenses, which late charge shall be payable as Additional Rent, and shall be equal to five percent (5%) of all outstanding amounts owed Landlord if not paid within the foregoing ten (10) day period, and one and five-tenths percent (1.5%) per month each month on all amounts overdue for more than ten (10) days.

6. **UTILITIES.** Landlord agrees to supply water, gas, electricity and, sewer and connections to the building; but Tenant shall pay for the use of all such gas, electricity, water, sewer and telephone services, and any other utilities and/or services used by Tenant within and/or serving the Premises, together with any taxes, penalties, surcharges or the like pertaining thereto. Tenant shall be liable for all maintenance and equipment with respect to the continued operation of such utilities including, without limitation, all electric light bulbs, tubes and starters. In the event any such utilities are not separately metered, Tenant shall pay to Landlord a portion of the cost of such utilities determined by Landlord's independent engineer or manager. In no event shall Landlord be liable for any interruption or failure of any utility servicing the Total Property.

7. **LANDLORD'S REPAIRS AND MAINTENANCE.** Landlord, at Landlord's sole cost and expense, shall maintain, repair and replace, if necessary, the structural portions of the roof, foundation and the exterior walls. Notwithstanding the aforesaid, in the event any such maintenance or repairs are caused by the negligence of Tenant or Tenant's employees, agents or invitees, Tenant shall reimburse to Landlord, as Additional Rent, the cost of all such maintenance and repairs within thirty (30) days after receipt of Landlord's invoice for same. For purposes of this Section, the term "exterior walls" shall not include windows, plate glass, window and door frames, outside lighting, office doors, dock doors, dock bumpers, office entries or any exterior improvement made by Tenant. Landlord reserves the right to designate all sources of services in connection with Landlord's obligations under this Lease. As also provided in Section 11 hereof, Tenant hereby grants to Landlord the right to enter upon the Premises, at reasonable times, and upon reasonable notice, except in emergencies exclusively determined by Landlord, for the purpose of making inspections and/or repairs and in order to carry out or enforce any provision of this Lease. Tenant shall have the duty to periodically inspect the Premises and notify Landlord should Tenant observe a need for repairs or maintenance of any obligation required to be performed by Landlord under this Lease. Upon receipt of Tenant's notice, Landlord shall have a reasonable period of time to make such repairs or maintenance. Notwithstanding the foregoing, if Landlord fails to perform an obligation of Landlord within a reasonable time, Tenant shall have the right to perform such obligation on behalf and at the expense of Landlord, the cost of which performance by Tenant, together with interest thereon at the rate of 18% annually from the date of such expenditure, shall be payable by Landlord to Tenant, upon demand.

Furthermore, in the event any essential services directly supplied by Landlord to or for the Premises are interrupted, Tenant shall be entitled to an abatement of Base Rent and Additional Rent beginning on the tenth consecutive business day, after tenant has notified Landlord in writing of such interruption. The abatement shall end when the services are restored. Tenant shall have the option to terminate this Lease if the interruption unreasonably interferes with Tenant's use of or access to the Premises for at least sixty (60) consecutive days after tenant has notified Landlord in writing of such interruption.

Landlord shall not be liable for, and Landlord is hereby released and relieved from, all claims and demands of any kind by reason of or resulting from damage or injury to any person or property of Tenant or any other party, directly or indirectly caused by (i) dampness, water, rain or snow, in any part of the Leased Premises or in any part of any other property of Landlord or of others, and/or (ii) falling plaster, steam, gas, electricity, or any leak or break in any part of the Leased Premises or from any pipes, appliances or plumbing or from sewers or the street or subsurface or from any other place or any part of any other property of Landlord or of others or in the pipes of the plumbing or heating facilities thereof, no matter how caused.

8. **TENANT'S REPAIRS AND MAINTENANCE.** Tenant, at Tenant's sole cost and expense, shall have the affirmative duty to periodically inspect, maintain, service, repair and replace, if necessary, all portions of the Premises which are not expressly the responsibility of Landlord including, but not limited to, any windows, plate glass, office doors, dock doors, office entries, interior walls and finish work, floors and floor coverings, water heaters, electrical fixtures, sprinkler systems, dock bumpers, plumbing, fixtures and pest extermination. In addition thereto, Tenant shall keep the Premises and the dock area servicing the Premises in a clean and sanitary condition, and shall keep the common parking areas, driveways and loading docks free of Tenant's debris. Tenant shall not store materials waste or pallets outside of the Premises, and shall timely arrange for the removal and/or disposal of all pallets, crates and refuge owned by Tenant which cannot be disposed of in the dumpster servicing the Total Property.

Tenant, at its own cost and expense, shall enter into a regularly scheduled preventative maintenance and repair/service contract with a maintenance contractor approved by Landlord, such approval to be commercially reasonable, and not be unduly withheld conditioned or delayed, for servicing all hot water, heating and air conditioning systems and equipment within the Premises. The service contract must include all services suggested by the equipment manufacturer in its operations/maintenance manual and an executed copy of such contract must be provided to Landlord prior to the date Tenant takes possession of the Premises. Notwithstanding the aforesaid, in the event that Tenant fails to properly secure such service contract within thirty (30) days of written notice from Landlord, Landlord shall have the option to enter into a regularly scheduled preventative maintenance/service contract on items for and on behalf of Tenant. Each such contract shall include, without limitation, all services suggested or recommended by the equipment manufacturer in the operation and maintenance of such system. In the event Landlord elects such option, Tenant shall reimburse to Landlord, as Additional Rent, Landlord's commercially reasonable costs in connection with said contract, as well as Landlord's commercially reasonable costs of repair and maintenance of the HVAC system.

Upon the expiration or earlier termination of this Lease, Tenant shall return the Premises to Landlord broom clean in as good condition as when received, reasonable wear and tear and damage by insured casualty excepted. Tenant shall perform all repairs and maintenance in a good and workmanlike manner, using materials and labor of the same character, kind and quality as originally employed within the Total Property at the time of lease execution; and all such repairs and maintenance shall be in compliance with all governmental and quasi-governmental laws, ordinances and regulations, as well as all requirements of Landlord's insurance carrier. In the event Tenant fails to properly perform any such repairs or maintenance within a reasonable period of time after written notice from Landlord, Landlord shall have the option to perform such repairs on behalf of Tenant, in which event Tenant shall reimburse to Landlord, as Additional Rent, the costs thereof within fifteen (15) days after receipt of Landlord's invoice for same.

9. **ALTERATIONS**. Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, such consent with respect to non-structural interior alterations not to be unreasonably withheld, conditioned, or delayed. Notwithstanding the aforesaid, Tenant, at Tenant's sole cost and expense, may install trade fixtures as Tenant may deem necessary, so long as such trade fixtures do not penetrate or disturb the structural integrity and support provided by the roof, exterior walls or subfloors or require excavation of the floor slab or disturbance of column supports. All such trade fixtures, as well as any other alterations, additions or improvements made by Tenant with the aforesaid approval of Landlord, shall be constructed and/or installed by contractors approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, in a good and workmanlike manner, and in compliance with all applicable governmental and quasi-governmental laws, ordinances and regulations, as well as all requirements of Landlord's insurance carrier. If applicable, a list of Landlord's pre-approved Tenant alterations, approved subject to review of Tenant drawings and compliance with the preceding provisions of this Section 9, is set forth on **Exhibit E**.

Other than the initial improvements to be made by Tenant incidental to Tenant's initial occupancy of the Premises (hereby shown in Exhibit E and for purposes of this paragraph the "Tenant's Initial Alterations"), then it is agreed that, subject to the following provisions of this paragraph, upon the expiration or earlier termination of this Lease, Tenant shall at Tenant's sole expense remove all alterations, additions or improvements installed by Tenant within the Premises, including any materials other than paint which are applied to the columns, decking or joists, properly fill all holes in the floor and remove all above the floor improvements installed by Tenant, and upon such removal, Tenant shall at Tenant's sole expense restore the Premises to a condition substantially similar to that condition when received by Tenant. However, notwithstanding the aforesaid, (i) upon Landlord's written election, all or a portion of such alterations, additions and improvements shall revert to Landlord and shall remain within the Premises, and (ii) in the event that with respect to any alterations, additions and/or improvements other than the Tenant's Initial Alterations, Tenant desires that said alterations, additions and/or improvements remain on the Premises at the expiration or earlier termination of this Lease, at the time Tenant submits its request for Landlord's consent to such alterations, additions and/or improvements, Tenant shall list those items which Tenant desires to remain on the Premises at the expiration or earlier termination of this Lease, and Landlord shall within fifteen (15) days subsequent to the date of such request, notify Tenant whether it has agreed that such items shall remain on the Premises at the time of the expiration or earlier termination of this Lease, and to the extent Landlord shall at that time not agree that such items shall remain on the Premises at the time of the expiration or earlier termination of this Lease, subject to the provisions of the immediately preceding clause (i), at the time of the expiration or earlier termination of this Lease, Tenant shall remove all such alterations, additions and/or improvements in accordance with the provisions of the preceding sentence.

10. **DESTRUCTION.** If the Premises or the Total Property are damaged in whole or in part by casualty so as to render the Premises unusable for their intended purpose, and if the damages cannot be repaired within one hundred fifty (150) days from the date of said casualty, this Lease shall terminate as of the date of such casualty. If the damages can be repaired within said one hundred fifty (150) days, and Landlord does not elect within forty-five (45) days after the date of such casualty to repair the same, then either party may terminate this Lease by written notice served upon the other. In the event of any such termination, the parties shall have no further obligations to the other, except for those obligations accrued through the effective date of such casualty; and, upon such termination, Tenant shall immediately surrender possession of the Premises to Landlord. Should Landlord elect to make such repairs, this Lease shall remain in full force and effect, and Landlord shall proceed with all due diligence to repair and restore the Premises to a condition substantially similar to that condition which existed prior to such casualty. In the event the repair and restoration of the Premises extends beyond one hundred fifty (150) days after the date of such casualty due to causes beyond the control of Landlord, this Lease shall remain in full force and effect, and Landlord shall not be liable therefor; but Landlord shall continue to complete such repairs and restoration with all due diligence. Tenant shall not be required to pay any Rent for any period in which the Premises are completely unusable for its intended purpose. In the event only a portion of the Premises are unusable for their intended purpose, Tenant's Rent shall be equitably abated in proportion to that portion of the Premises which is so unfit. However, there shall be no Rent abatement if said damage is due to the fault or negligence of Tenant or Tenant's agents, employees or invitees.

11. **INSPECTION.** Landlord shall have the right to enter and inspect the Premises at any reasonable time for the purpose of ascertaining the condition of the Premises, or in order to make such repairs as may be required or permitted to be made by Landlord under the terms of this Lease. In addition thereto, during the last twelve (12) months of the lease term, Landlord shall have the right to enter the Premises at any reasonable time for the purpose of showing the Premises to prospective third-party tenants provided, however, that Landlord shall give Tenant at least three (3) days advance notice, and Tenant or a representative of Tenant shall have the right to be present during any such exhibition by Landlord; and, during said twelve (12) months, Landlord shall have the right to erect on the Premises and the Total Property a suitable sign indicating that the Premises are available for lease.

Tenant shall give Landlord thirty (30) days written notice prior to Tenant vacating the Premises for the purpose of arranging a joint inspection of the Premises with respect to any obligation to be performed therein by Tenant including, without limitation, the necessity of any repair or restoration of the Premises

12. **SIGNS.** Tenant shall not place or permit any signs, lights, awnings or poles in or about the Premises or the Total Property, other than the standard building signage as per landlord specifications, without the prior written consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed; nor shall Tenant change the uniform architecture, paint, landscape, or otherwise alter or modify the exterior of the Premises without the prior written consent of Landlord. Landlord will cooperate with Tenant's signage requests, both temporary and permanent, subject to approvals of CA and HRD, if applicable, and the Howard County government. All signs shall be at Tenant's sole costs and expense and shall comply with all applicable laws, ordinances, rules and regulations.

13. **SUBLETTING AND ASSIGNING.** Tenant shall not sublet the Premises or any portion thereof, nor allow the same to be used or occupied by any other person or for any other use than herein specified, without the prior written consent of Landlord, such consent not to be unreasonably withheld or delayed in the case of a sublet of less than twenty-five percent (25%) of the total square footage of the total space in the Premises. However, all such subtenants shall have credit at least equal to Tenant's at the time this Lease is executed and engage in a use not objectionable to Landlord in its reasonable discretion. Any other assignment or sublease shall be subject to Landlord's sole and absolute and absolute subjective discretion. For purposes of this Section, the transfer of any majority interest in any corporation or partnership or a substantial portion of the assets of any entity, which controls Tenant, including any transfer by operation of law, shall be deemed to be an assignment of this Lease. In the event Landlord consents to any assignment or sublease, the same shall not constitute a release of Tenant from the full performance of Tenant's obligations under this Lease. In the event of any sublease or assignment, Tenant shall reimburse Landlord for all reasonable attorneys' fees in connection with reviewing and/or drafting any appropriate documents to effect such an assignment of Tenant's interests or a sublease hereunder. Notwithstanding any term or provision herein to the contrary, Tenant shall be permitted, without the consent of Landlord, to assign or sublet Tenant's right, title and interest under this Lease to a subsidiary or affiliate of Tenant. In the event of such a sublet or assignment, Tenant shall remain liable for all of terms, rights, and obligations set forth herein.

14. **DEFAULT.**

(a) Any of the following events shall constitute a default (herein sometimes referred to as either a "default" or "Default") by Tenant:

(i) If the rent (Base Rent or Additional Rent) shall be in arrears, in whole or in part, for more than ten (10) calendar days after Tenant receives written notice from Landlord of Tenant's failure to pay (however, if tenant is late more than one occasion within a 12-month period, for the remaining lease, no further written notice will be required); or

(ii) If Tenant shall have failed to perform any other term, condition, or covenant of this Lease on its part to be performed for a period of ten (10) business days after written notice of such failure from Landlord; provided, however, if Tenant is diligently pursuing curing such default, then Tenant shall not be deemed in default until forty-five (45) days after said written notice from Landlord; or

(iii) If Tenant is adjudicated a bankrupt or insolvent by any court of competent jurisdiction, or if any such court enters an order, judgment or decree finally approving any petition against Tenant seeking reorganization, liquidation, dissolution or similar relief or if a receiver, trustee, liquidator or conservator is appointed for all or substantially all of Tenant's assets and such appointment is not vacated within thirty (30) days after the appointment, or if Tenant seeks or consents to any of the relief hereinabove enumerated in this Subsection 14(a)(iii) or files a voluntary petition in bankruptcy or insolvency or makes an assignment of all or substantially all of its assets for the benefit of creditors or admits in writing its inability to pay its debts generally as they come due or files Articles of Dissolution, or similar writing indicating its intention to wind up or liquidate its business, with the appropriate authority of the place of its incorporation; or

(iv) If Tenant's leasehold interest under this Lease is sold under execution, attachment or decree of court to satisfy any debt of Tenant, or if any lien (including a mechanic's lien) is filed against Tenant's leasehold interest and is not discharged within ten (10) business days thereafter; or

(v) If Tenant shall abandon the Leased Premises; the term "abandon" for purposes of this subsection being defined as Tenant's failure to open for business at the Leased Premises for a period of ten (10) consecutive days except where Tenant has the right under this Lease to remain closed for a period of ten (10) consecutive days, or the removal of all or most of Tenant's equipment, trade fixtures, etc., coupled with failure to open for business on a normal business day; or

(vi) If applicable, the breach or occurrence of an event of default pursuant to the provisions of any separate written guarantee of a guarantor furnished to Landlord with respect to the guarantee of Tenant's obligations under this Lease or the occurrence of any event under Section 14(a)(iii) with respect to any such guarantor.

(b) In the event of default as defined in Subsection 14(a) hereof, Landlord, in addition to any and all legal and equitable remedies it may have, shall have the following remedies:

(i) To distrain for any rent or additional rent in default; and

(ii) At any time after default, without notice, to declare this Lease terminated and enter the Leased Premises with or without legal process; and in such event Landlord shall have the benefit of all provisions of law now or hereafter in force respecting the speedy recovery of possession from Tenant's holding over or proceedings in forcible entry and detainer, and Tenant waives any and all provisions for notice under such laws.

Notwithstanding such reentry and/or termination, Tenant shall immediately be liable to Landlord for the sum of the following: (i) all minimum rent and additional rent then in arrears, without apportionment to the termination date, including Tenant's taxes due for the year of termination, whether such termination is before or after July 1st of such year; (ii) all other liabilities of Tenant and damages sustained by Landlord as a result of Tenant's default, including, but not limited to, the reasonable costs of reletting the Leased Premises (including reasonable renovation costs) and any broker's commissions payable as a result thereof; (iii) all of Landlord's costs and expenses (including reasonable counsel fees) in connection with such default and recovery of possession; (iv) the difference between the rent reserved under this Lease for the balance of the Term and the fair rental value of the Leased Premises for the balance of the Term to be determined as of the date of reentry; or at Landlord's option in lieu thereof, Tenant shall pay the amount of the rent and additional rent reserved under this Lease at the times herein stipulated for payment of rent and additional rent for the balance of the Term, less any amount received by Landlord during such period from others to whom the Leased Premises may be rented on such terms and conditions and at such rentals as Landlord, in its sole discretion, shall deem proper; and (v) any other damages recoverable by law. In the event Landlord brings any action against Tenant to enforce compliance by Tenant with any covenant or condition of this Lease, including the covenant to pay rent, and it is judicially determined that Tenant has defaulted in performing or complying with any such covenant or condition, then and in such event, Tenant shall pay to Landlord all costs and expenses incurred by Landlord in bringing and prosecuting such action against Tenant, including a reasonable attorneys' fee.

(c) Any costs and expenses incurred by Landlord (including, without limitation, reasonable attorneys' fees) in enforcing any of its rights or remedies under this Lease shall be deemed to be additional rent and shall be repaid to Landlord by Tenant upon demand.

(d) No payment of money by Tenant after the termination of this Lease, service of any notice, commencement of any suit, or after final judgment for possession of the Premises, shall reinstate this Lease or affect any such notice, demand or suit, or imply consent for any action for which Landlord's consent is required. Should Landlord elect not to exercise its rights in the event of a default, it shall not be deemed a waiver of such rights as to subsequent defaults.

15. **HOLDOVER.** Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord, without demand, in the condition required under the last paragraph of Section 8. If Tenant shall remain in possession of the Premises after the termination of this Lease, and hold over for any reason, Tenant shall be deemed guilty of unlawful detainer; or, at Landlord's election, Tenant shall be deemed a holdover tenant and, after the initial month of the holdover period, shall pay to Landlord monthly Rent equal to one hundred fifty percent (150%) of the total Rent payable hereunder during the last month prior to any such holdover, as well as any other damages incurred by Landlord as a result of such holdover. Should any of Tenant's property remain within the Premises after the termination of this Lease, it shall be deemed abandoned, and Landlord shall have the right to store or dispose of it at Tenant's cost and expense.

16. **RIGHT TO CURE TENANT'S DEFAULT.** In the event Tenant is in default under any provision of this Lease, other than for the payment of Rent, and such Default is not cured by Tenant within ten (10) business days after receipt of Landlord's written notice, Landlord may cure such Default on behalf of Tenant, at Tenant's expense. Landlord may also perform any obligation of Tenant, without notice to Tenant, should Landlord deem such performance to be an emergency. Any monies expended by Landlord to cure any such Default(s), or resolve any deemed emergency shall be payable by Tenant as Additional Rent. If Landlord incurs any expense, including reasonable attorneys' fees, in prosecuting and/or defending any action or proceeding by reason of any emergency or default, Tenant shall reimburse Landlord for same, as Additional Rent, with interest thereon at eighteen percent (18%) annually from the date such payment is due Landlord

17. HOLD HARMLESS. Landlord shall not be liable to Tenant for any damages to the Premises or the Total Property, nor for any damages to Tenant on or about the Total Property, nor for any other damages arising from the action or negligence of Tenant, co-tenants or other occupants of the Total Property; and Tenant hereby releases, discharges and shall indemnify, hold harmless and defend Landlord, at Tenant's sole cost and expense, from all losses, claims, liability, damages and expenses (including reasonable attorneys' fees) due to any damage or injury to persons or property of the parties hereto or of third persons, caused by Tenant's use or occupancy of the Premises, Tenant's breach or default of any covenant under this Lease, or Tenant's use of any equipment, facilities or property in, on, or adjacent to the Total Property. Furthermore, Tenant shall at all times remain liable for, and indemnify and hold harmless Landlord as aforesaid against, any damage or injury arising from perils against which Tenant is required by this Lease to insure, regardless of the negligence or willful act or omissions of others. In the event any suit shall be instituted against Landlord by any third person for which Tenant is hereby indemnifying and holding Landlord harmless, Tenant shall defend such suit at Tenant's sole cost and expense with counsel reasonably satisfactory to Landlord; or, in Landlord's discretion, Landlord may elect to defend such suit, in which event Tenant shall pay Landlord, as Additional Rent, Landlord's costs of such defense.

To the maximum extent permitted by law, Landlord shall indemnify, hold harmless and (at Tenant's option) defend Tenant, its agents, servants and employees from and against all claims, actions, losses, costs and expenses (including reasonable attorneys' and other professional fees), judgments, settlement payments, and, whether or not reduced to final judgment, all liabilities, damages, or fines paid, incurred or suffered by any third parties to the extent arising directly or indirectly from (a) any default by Landlord under the terms of this Lease, (b) the use or occupancy of the Property by Landlord or any person claiming through or under Landlord, and/or (c) any acts or omissions of Landlord or any contractor, agent employee, invitee or licensee of Landlord in or about the Property. The foregoing indemnity is in addition to, and not in substitution for any indemnity given by Landlord to Tenant under Section 2.

18. **CONDEMNATION**.

(a) Total - If during the term, all or a substantial part of the Leased Premises or the common areas of the Total Property shall be taken by condemnation or eminent domain, this Lease shall terminate as of, and the rent shall be apportioned to and abate from and after, the date of taking and Tenant shall have no right to participate in any award or damages for such taking and Tenant hereby assigns all of its right, title and interest therein to Landlord with a power of attorney coupled with an interest for the execution in the Tenant's name of any and all documents necessary or desirable in connection therewith. For purposes of this Subsection, "a substantial part of the Leased Premises or the common areas of the Total Property" shall mean such part thereof that the remainder of the Leased Premises or the Total Property, as the case may be, are rendered inadequate and cannot practicably be repaired and improved so as to be made adequate to permit Tenant to use and enjoy the Leased Premises and/or the common areas of the Total Property to substantially the same extent as before the taking. Landlord shall promptly notify Tenant of any condemnation or eminent domain proceeding, or threatened condemnation or eminent domain proceeding, as the same becomes known to Landlord.

(b) Partial - If during the term, the Leased Premises or the common areas of the Total Property are partially taken by condemnation or eminent domain, Landlord shall employ reasonable means to restore the Leased Premises or the common areas of the Total Property, as the case may be, and all proceeds derived from the condemnation as hereinabove provided shall be applied by Landlord towards the cost of restoration of the Leased Premises or the common areas of the Total Property, as the case may be. If a portion of the Leased Premises (as compared to the common areas of the Total Property) is so taken, all rent shall be abated from and after the date of taking in equitable proportion to the portion of the Leased Premises so taken. Landlord shall promptly immediately notify Tenant of any condemnation or eminent domain proceeding, or threatened condemnation or eminent domain proceeding, as the same becomes known to Landlord.

(c) Definitions - For the purpose of this Section 18, taking under the power of "eminent domain" shall include a negotiated sale or lease and transfer of possession to a condemning authority under bona fide threat of condemnation for public use, and Landlord alone shall have the right to negotiate with the condemning authority and conduct and settle all litigation connected with the condemnation. As hereinabove used, the words "award or damages" shall, in the event of such sale or settlement, include the purchase or settlement price.

(d) Tenant's Limited Rights - Tenant shall be entitled to claim, prove and receive in the condemnation proceedings only such award as may be allowed for its loss of business, personal property and moving expenses, but only if such award shall be made by the condemnation court or other authority in addition to, and be stated separately from, the award made by it to Landlord for the Leased Premises, or any part thereof so taken.

19. **INSURANCE.** Landlord shall maintain in full force and effect policies of insurance covering the Total Property in an amount not less than eighty percent (80%) of the Total Property's "replacement cost", as such term is defined in the Replacement Cost Endorsement attached to such policy, insuring against physical loss or damage generally included in the classification of "all risk" coverage. Such insurance shall be for the sole benefit of Landlord, and under Landlord's sole control.

Tenant shall maintain in full force and effect throughout the term of this Lease policies providing "all risk" insurance coverage protecting against physical damage (including, but not limited to, fire, lightning, extended coverage perils, vandalism, sprinkler leakage, water damage, collapse, and other special extended perils) to the extent of 100% of the replacement cost of Tenant's property and improvements, as well as broad form comprehensive or commercial general liability insurance, in an occurrence form, insuring Landlord and Tenant jointly against any liability (including bodily injury, property damage and contractual liability) arising out of Tenant's use or occupancy of the Premises, with a combined single limit of not less than $2,000,0000 or a greater amount as may be reasonably required by Landlord from time to time. All such policies shall be of a form and content satisfactory to Landlord; and Landlord, its property manager and any mortgagee shall be named as an additional insured on all such policies. All policies shall be with companies licensed to do business in the State of Maryland, and rated A+:XV in the most current issue of Best's Key Rating Guide. Tenant shall furnish Landlord with certificates of all policies at least ten (10) days prior to occupancy; and, further, such policies shall provide that not less than thirty (30) days written notice be given to Landlord before any such policies are canceled or substantially changed to reduce the insurance provided thereby. All such policies shall be primary and noncontributing with or in excess of any insurance carried by Landlord. Tenant shall not do any act which may make void or voidable any insurance on the Premises or the Total Property; and, in the event Tenant's use of the Premises shall result in an increase in Landlord's insurance premiums, Tenant shall pay to Landlord upon demand, as Additional Rent, an amount equal to such increase in insurance.

As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. In the event Tenant shall fail to promptly furnish any insurance herein required, Landlord may effect the same for a period not exceeding one (1) year and Tenant shall promptly reimburse Landlord upon demand, as additional rent, the premium so paid by Landlord. All such public liability, property damage and other casualty policies shall be written as primary policies which do not contribute to and are not in excess of coverage which Landlord may carry, if any. All such public liability and property damage policies shall contain a provision that Landlord shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of Tenant or any other named assured. Any insurance provided for may be affected by a policy or policies of blanket insurance covering additional items or locations; provided, however, that (i) Landlord shall be named as an additional insured thereunder as its interests may appear; (ii) the coverage afforded Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance; and (iii) the requirements set forth herein are otherwise satisfied. Any insurance policies herein required to be procured by Tenant shall contain an express waiver of any right of subrogation by the insurance company against the Landlord, and all other tenants or occupants of space in the Total Property.

20. **MORTGAGES.** This Lease is subject and subordinated to any mortgages, deeds of trust or underlying leases, as well as to any extensions or modifications thereof (hereinafter collectively referred to as "Mortgages"), now of record or hereafter placed of record. In the event Landlord exercises its option to further subordinate this Lease, Tenant shall at the option of the holder of said Mortgage attorn to said holder. Any subordination shall be self-executing, but Tenant shall, at the written request of Landlord, execute such further assurances as Landlord deems desirable to confirm such subordination. In the event Tenant should fail or refuse to execute any instrument required under this Section, within ten (10) days after Landlord's request, Landlord shall be granted a limited power of attorney to execute such instrument in the name of Tenant. In the event any existing or future lender holding a mortgage, deed of trust or other commercial paper requires a modification of this Lease which does not increase Tenant's Rent hereunder, or does not materially change any obligation of Tenant hereunder, Tenant agrees to execute appropriate instruments to reflect such modification, upon request by Landlord.

21. **LIENS.** Tenant shall not mortgage or otherwise encumber or allow to be encumbered its interest herein without obtaining the prior written consent of Landlord. Should Tenant cause any mortgage, lien or other encumbrance (hereinafter singularly or collectively referred to as "Encumbrance") to be filed against the Premises or the Total Property, Tenant shall dismiss or bond against the same within fifteen (15) days after the filing thereof. If Tenant fails to remove said Encumbrance within said fifteen (15) day period, Landlord shall have the absolute right to remove said Encumbrance by whatever measures Landlord shall deem convenient, including, without limitation, payment of such Encumbrance, in which event Tenant shall reimburse Landlord, as Additional Rent, all costs expended by Landlord, including reasonable attorneys' fees, in removing said Encumbrance. All of the aforesaid rights of Landlord shall be in addition to any remedies which either Landlord or Tenant may have available to them at law or in equity.

22. **GOVERNMENT REGULATIONS.** Landlord warrants that, to its actual knowledge, without any duty to investigate, the Premises were in compliance with all government regulations, building codes and laws at the time they were constructed. Tenant, at Tenant's sole cost and expense, shall conform with all laws and requirements of any Municipal, State or Federal authorities now in force, or which may hereafter be in force, pertaining, to or in connection with, Tenant's occupancy of the Premises, including all requirements of the Americans with Disabilities Act of 1991 (as may be amended). In addition, Tenant shall conform with any reasonable requirement of Landlord's insurance carrier with respect to Tenant's use of the Premises. The judgment of any court or an admission of Tenant in any action or proceeding at law, whether Landlord be a party thereto or not, shall be conclusive of the fact as between Landlord and Tenant.

23. **NOTICES.** All Rents which are required to be paid by Tenant shall be delivered to Landlord by the United States Mail, postage prepaid, at Landlord's address set forth below or other address landlord may specify from time to time. All notices which are required to be given hereunder shall be in writing, and delivered by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the parties hereto at their respective addresses below:

LANDLORD:	Creative Developments, LLC 10900 Pump House Road Annapolis Junction, MD 20701 Attention: Janice Tippett
With a copy to:	Allen Cornell NAI The Michael Companies, Inc. 4640 Forbes Boulevard, Suite 300 Lanham, Maryland 20706
TENANT:	Promark Technology, Inc. **10900 Pump House Road** **Annapolis Junction, MD. 20701**

Either party may designate a different address by giving notice to the other party of same at the address set forth above. Notices shall be deemed received on the date of the return receipt. If any such notices are refused, or if the party to whom any such notice is sent has relocated without leaving a forwarding address, then the notice shall be deemed received on the date the notice-receipt is returned stating that the same was refused or is undeliverable at such address.

24. **PARKING.** Tenant shall be entitled to the reasonable use of open and non-reserved non-exclusive parking spaces together with Landlord with respect to any parking areas located in the Total Property. Tenant shall be liable for all vehicles owned, rented or used by Tenant or Tenant's agents and invitees in or about the Total Property. Any equipment, inventory or other property stored in any trucks shall be stored at Tenant's sole risk. Tenant shall not store any trucks on the passenger car parking lot of the Total Property. Notwithstanding the aforesaid, in the event the Premises have access to a loading dock which exclusively services the Premises, and no other space, Tenant may store one or more of its vehicles in such dock area, provided such storage does not restrict truck access or maneuverability for any other tenant or person to or from any other loading dock servicing the Total Property. In the event the Premises have access to a loading dock which does not exclusively service the Premises, Tenant shall not park its trucks in the dock area longer than the time it takes to reasonably load or unload its trucks. In no event shall Tenant park any vehicle in or about a loading dock which exclusively services another tenant or occupant within the Total Property or in a thoroughfare, driveway, street or other area not specifically designated for parking. Landlord reserves the right to establish uniform rules and regulations for the loading and unloading of trucks upon the Total Property, which rules may include the right to designate specific parking spaces for tenants' use. Upon request by Landlord, Tenant shall move its trucks and vehicles if, in Landlord's reasonable opinion, said vehicles are in violation of any of the above restrictions. Landlord also reserves the right to order reasonable changes to the location and size of any parking areas located in the Total Property.

25. **OWNERSHIP.** Notwithstanding anything in this Lease to the contrary, the term "Landlord" as used in this Lease, shall be defined as the then current owner(s) of the Total Property. In the event of any transfer of the Total Property, whereby this lease is assigned to the transferee incidental to such a transfer of the total property, the party the party conveying same shall thereafter be automatically released from all liability with respect to any obligations thereafter occurring or covenants thereafter to be performed by Landlord but only to the extent such obligations or covenants are properly assigned or otherwise conveyed. It is expressly understood and agreed that none of the covenants of Landlord under this Lease are personal in nature, and that Tenant agrees to look solely to the Total Property for recovery of any damages for breach or non-performance of any of the obligations of Landlord hereunder.

26. **SECURITY DEPOSIT.** Tenant has deposited with Landlord the sum of Six Thousand Eighty-Eight and 28/100 Dollars ($6,088.28) as security for the full and faithful performance of Tenant's obligations under this Lease. Tenant acknowledges that such security deposit shall be placed in Landlord's general operating account, with any interest accruing thereon payable to Landlord. Such security deposit shall not be construed as an advance Rent payment or as a measure of Landlord's damages in the event of a Default by Tenant. If Tenant should be placed in default with respect to any provision of this Lease, Landlord may apply all or a portion of said security deposit for the payment of any sum in Default or for the payment of any amount which Landlord expends by reason of such Default. If any portion of said deposit is so applied, Tenant shall deposit with Landlord, within ten (10) days after receipt of Landlord's written demand, an amount sufficient to restore said security deposit to its original amount. Upon the expiration of this Lease, Landlord shall return said security deposit to Tenant, provided Tenant has paid to Landlord all sums owing to Landlord under this Lease, and Tenant has returned the Premises to Landlord in compliance with the provisions of the last paragraph of Section 8 hereof. The security deposit and, as also required in Section 4, the first month's rent are due and payable upon Lease execution by Tenant.

27. **ESTOPPEL CERTIFICATES.** Each of Landlord and Tenant shall execute and return to the requesting party, within ten (10) business days, a statement in writing certifying that this Lease is unmodified and in full force and effect, that the non-requesting party has no defenses, offsets or counterclaims against its obligations to pay any Rent or to perform any other covenants under this Lease, that there are no uncured Defaults of Landlord or Tenant, and setting forth the dates to which the Rent and other charges have been paid, and any other information reasonably requested by the requesting party. In the event the non-requesting party fails to return such statement within said ten (10) business days period setting forth the above or, alternatively, setting forth those lease modifications, defenses and/or uncured Defaults, the non-requesting party shall be in Default hereunder or, at the requesting party's election, it shall be deemed that the requesting party's statement is correct with respect to the information therein contained. Any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser, mortgagee or assignee of any mortgagee of the Total Property.

28. **PERSONAL PROPERTY TAXES.** Tenant shall timely pay all taxes assessed against Tenant's personal property and all improvements to the Premises which are in excess of Landlord's standard installations. If Tenant's personal property and improvements are assessed with the property of Landlord, Tenant shall pay to Landlord an amount equal to Tenant's share of such taxes, within ten (10) business days after receipt of Landlord's statement for same.

29. **BROKERAGE.** The parties warrant that they have dealt with no broker or person in connection with this transaction other than NAI The Michael Companies, Inc. and AGM Commercial Real Estate Advisors, LLC, and Landlord agrees to be liable for the commissions payable to such brokers, equal to six percent (6%) of the gross aggregate rentals due and payable over the term of the Lease and any renewals, extensions or expansions thereof. Such leasing commission shall be payable 50%. upon lease execution and 50% upon rent commencement and shall be shared equally by NAI The Michael Companies, Inc. and AGM Commercial real Estate Advisors. This provision shall survive the termination of this Lease.

30. **SEVERABILITY.** In the event any provision of this Lease is found to be invalid or unenforceable, the same shall not affect or impair the validity or enforceability of any other provision.

31. **LOADING CAPACITY.** Tenant covenants and agrees not to load the Premises beyond their present carrying or loading capacity

32. **FORCE MAJEURE.** If either party shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor trouble, inability to procure materials or any required permit, including a building permit, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of like nature not the fault of the party delayed, then performance of such act shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 33 shall not operate or excuse Tenant from the prompt payment of rent or additional rent or any other payments required by the terms of this Lease, except as same may be excused during delay in delivery or Landlord's completion of the Premises.

33. **NOTICES TO MORTGAGEE.** Tenant agrees that a copy of any notice of default from Tenant to Landlord shall also be sent to the holder of any mortgage or deed of trust on the Premises; provided Tenant has been given written notice of the fact that such mortgage or deed of trust has been made and the address to which such notices shall be sent; and Tenant shall allow said mortgagee or holder of the deed of trust a reasonable time, not to exceed sixty (60) days from the receipt of said notice, to cure, or cause to be cured, any such default. If such default cannot reasonably be cured within the time specified herein, then such additional time as may be necessary shall be allowed, provided the curing of such default is commenced and diligently pursued (including, but not limited to, commencement of foreclosure proceedings if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being thus diligently pursued.

34. **NON-WAIVER OF FUTURE ENFORCEMENT.** The receipt of rent or any part thereof by Landlord, with knowledge of any breach of this Lease by Tenant or of any default on the part of Tenant in the observance or performance of any of the conditions or covenants of this Lease, shall not be deemed to be a waiver of any provisions of this Lease. No failure on the part of Landlord or of Tenant to enforce any covenant or provision herein contained nor any waiver of any right hereunder by Landlord or Tenant, shall discharge or invalidate such covenant or provision or affect the right of Landlord or Tenant to enforce the same in the event of any subsequent default. The receipt by Landlord of any rent or any sum of money or any other consideration hereunder paid by Tenant after the termination, in any manner, of the Term herein demised, or after the giving by Landlord of any notice hereunder to effect such termination, shall not reinstate, continue or extend the Term herein demised, or destroy or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by Landlord to Tenant prior to the receipt of any such sum of money or other consideration, unless so agreed to in writing and signed by Landlord. Neither acceptance of the keys nor any other act or thing done by Landlord or any agent or employee during the term herein demised shall be deemed to be an acceptance of a surrender of said Leased Premises, excepting only an agreement in writing signed by Landlord accepting or agreeing to accept such surrender

35. **MISCELLANEOUS.**

(a) The effective date of this Lease shall be considered to be the date of the last execution or initialing hereof. For purposes of the calculation of any time periods set forth in this Lease, this Lease shall be deemed to have been entered into and effective on the latest of the dates set forth on page 1, or the date last initialed, whichever is later.

(b) All of the covenants of Tenant hereunder shall be deemed and construed to be "conditions" as well as "covenants" as though both words were used in each separate instance.

(c) This Lease shall not be recorded by Tenant without the prior written consent of Landlord. Cost of recordation, if any, is to be borne by the recording party.

(d) The paragraph or section headings appearing in this Lease are inserted only as a matter of convenience, and in no way define or limit the scope of any paragraph.

(e) Submission of this Lease shall not be deemed to be an offer, or an acceptance, or a reservation of the Premises; and Landlord shall not be bound hereby until Landlord has delivered to Tenant a fully executed copy of this Lease, signed by both of the parties on the last page of this Lease in the spaces herein provided. Until such delivery, Landlord reserves the right to exhibit and lease the Premises to other prospective tenants. Further, Landlord may withhold possession of the Premises from Tenant until such time as Tenant has paid to Landlord the security deposit required by Section 26 of this Lease, and the first month of Base Rent as set forth in Section 4 of this Lease:

(f) All of the terms of this Lease shall extend to Landlord and Tenant, their respective heirs, personal representatives, successors and assigns (except as regarding Tenant's benefit hereunder, Tenant's permitted successors and permitted assigns) and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. Landlord hereby grants Tenant the right of quiet enjoyment of the Premises so long as Tenant is not in default of this Lease.

(g) This Lease and the parties' respective rights hereunder shall be governed by the laws of the State of Maryland. In the event of litigation, suit shall be brought in Howard County, Maryland. LANDLORD AND TENANT HEREBY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY ON ANY ISSUE TO ENFORCE ANY TERM OR CONDITION OF THIS LEASE, OR WITH RESPECT TO LANDLORD'S RIGHT TO TERMINATE THIS LEASE, OR WITH RESPECT TO RENT, OR WITH RESPECT TO LANDLORD'S RIGHT TO TERMINATE TENANT'S RIGHT OF POSSESSION. ANY COST AND EXPENSE INCURRED BY LANDLORD TO COLLECT ANY SUMS DUE. OR TO ENFORCE ANY TERM OR PROVISION HEREOF, INCLUDING REASONABLE ATTORNEYS' FEES, SHALL BE PAID BY TENANT.

(h) Except as otherwise specifically provided in Section 7, no abatement, refund, offset, diminution or reduction of rent, charges or other compensation shall be claimed by or allowed to Tenant, or any person claiming under Tenant, under any circumstances, whether for inconvenience, discomfort, interruption of business, or otherwise, arising from the making of alterations, changes, additions, improvements or repairs to or at the Leased Premises, by virtue or because of any present or future governmental laws, ordinances, or for any other cause or reason. In the event Landlord commences proceedings for non-payment of rent or because of any other default by Tenant hereunder, Tenant will not interpose any counterclaim of whatsoever nature or description in any such proceeding, except as such may be required by law to be interposed or forever lost. This shall not, however, be construed in any way as a waiver of Tenant's right to assert such claims in any separate action or actions brought by Tenant. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant's being evicted or dispossessed for any cause or in the event of Landlord's obtaining possession of the Premises by reason of the violation by Tenant of any of the covenants or conditions of this Lease or otherwise.

(i) This Lease contains the entire agreement between the parties regarding the subject matter of this Lease. There are no promises, agreements, conditions, undertaking, warranties or representations, oral or written, express or implied, between the parties, relating to this subject matter, other than as herein set forth. This Lease is intended by the parties to be an integration of all prior or contemporaneous promises, agreements, conditions, negotiations and undertakings between them. This Lease may not be modified orally but only by an instrument in writing as specifically prescribed herein. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. In the absence of a specific provision to the contrary, the party upon whom an obligation is imposed by this Lease shall perform said obligation at its own cost and expense.

(j) Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating any relationship other than the relationship of Landlord and Tenant notwithstanding the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto.

(k) Time is of the essence in this Lease.

(l) Tenant shall furnish Landlord with annual financial statements within one hundred twenty (120) days after each fiscal year and in the event Landlord reasonably believes that the financial position or business of Tenant has changed in an adverse manner, Tenant shall furnish Landlord with its most current financial statement within fifteen (15) days of the written request from Landlord. All such financial statements shall disclose at a minimum Tenant's Balance Sheet and Profit and Loss Statement, and which shall be verified by Tenant and its president or vice president, general partner, managing member or other authorized person, as the case may be. In no event will Tenant be required to prepare any financial reports that it would not normally prepare in its normal course of business.

(m) In addition to all other remedies, Landlord and Tenant are entitled to the restraint by injunction of all violations, actual, attempted or threatened of any covenant, condition or provision of this Lease.

(n) No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent due or pursue any other remedy Landlord may have under this Lease, at law or in equity.

(o) In the event that any late charge, interest rate or other payment provided herein exceeds the maximum applicable charge legally allowed, such late charge, interest rate or other payment shall be reduced to the maximum legal charge, rate or amount.

(p) If any date set forth in this Lease is to occur on a holiday or other non-business day, or if any period of time set forth in this Lease expires on a holiday or non-business day, then such expiration date shall be extended to the next business day thereafter. As used in this Section and in this Lease, the terms "holiday," "non-business day," and "business day" shall have the following meanings:

(i) "holiday" shall mean those dates upon which nationally chartered banks of the United States of America are not open for business;

(ii) "non-business day" shall mean holidays and Saturday and Sunday; and

(iii) “business day” shall mean any day that is not either a holiday or a non-business day.

(q) If applicable, attached hereto as **Exhibit F** is a Form of Lease Guarantee, which is to be executed by the person(s) or entity(ies) (individually, a “Guarantor,” and collectively, the “Guarantors”) indicated on said **Exhibit F.** If applicable, it shall be a condition of Landlord’s execution and ratification of this Lease that at the time of the delivery to Landlord of this Lease as executed by Tenant hereunder, that Tenant deliver to Landlord a guarantee in the form of **Exhibit F** attached hereto, fully executed by the Guarantor or all of the Guarantors, as the case may be.

(r) It is understood and agreed that this Lease and the obligations of the parties hereunder may be subject to written approval of Landlord’s lender, and that, if so, this Lease is not binding upon either Landlord or Tenant unless Landlord receives such written approval from Landlord’s lender. Landlord will advise Tenant promptly upon its receipt of approval or disapproval from Landlord’s lender.

(s) Unless otherwise specifically stipulated elsewhere in this Lease, all approvals, consents and other matters requiring acceptance or satisfaction on the Landlord’s part contained in this Lease shall be subject to the Landlord’s sole and absolute subjective discretion.

(t) This Lease is modified and affected by the following Exhibits which are attached hereto and made a part hereof.

Exhibit A Floor Plan
Exhibit B Landlord’s Tenant Improvements
Exhibit C Rules and Regulations
Exhibit D Form of Commencement Date Certificate
Exhibit E Pre-Approval Alterations (if applicable)
Exhibit F Form of Lease Guarantee (if applicable)

WHEREFORE, Landlord and Tenant have respectively signed and sealed this Lease the day and year first above written.

WITNESS/ATTEST

/s/ Jody Franklin

/s/ William J. Ochall

LANDLORD:
CREATIVE DEVELOPMENTS, LLC

By: /s/ Janice Tippett
Print Name: Janice Tippett
Title: President/Owner

TENANT:

PROMARK TECHNOLOGY, INC.

By: /s/ Dale R. Foster
Print Name: Dale R. Foster
Title: President

EXHIBIT A

EXHIBIT B

LANDLORD'S TENANT IMPROVEMENTS

Landlord shall provide Tenant with a $100,000.00 Tenant Improvement Allowance (the "Cost Base Amount"). Said Cost Base Amount shall be re-paid by Tenant to Landlord as part of the Base Rent pursuant to Section 4(a). Landlord shall provide the portion of the Cost Base Amount then due Tenant within fifteen (15) days after Tenant has submitted to Landlord an invoice for said improvements, together with verification in form reasonably acceptable to Landlord of the substantial completion of work by Tenant and that the costs reflected in said invoice have actually been incurred by Tenant. Only bonafide third party costs actually incurred by Tenant shall be included in any invoice. Furthermore, in no event shall Tenant submit any invoice which is for an amount less than Ten Thousand Dollars ($10,000.00), and in no event shall Tenant submit an invoice within a period of fifteen (15) days from the date of the last invoice submitted by Tenant.

EXHIBIT C

RULES AND REGULATIONS

Tenant agrees to comply with the following rules and regulations, and any subsequent rules or regulations which Landlord may reasonably adopt or modify from time to time. Tenant shall be bound by such rules and regulations to the same extent as if such rules and regulations were covenants of this Lease; and any non-compliance thereof shall constitute grounds for Default under this Lease. Landlord shall not be liable for the non-observance of said rules and regulations by any other tenant. Landlord agrees that the enforcement of these rules and regulations shall be uniform with respect to all tenants in the building.

(1) Tenant shall not use any picture or likeness of the Total Property in any notices or advertisements, without Landlord's prior written consent.

(2) In the event Tenant requires any telegraph, telephone or satellite dish connections, Landlord shall have the right to prescribe additional rules and regulations regarding the same including, but not limited to, the size, manner, location and attachment of such equipment and connections.

(3) No additional locks shall be placed upon any door of the Premises, without Landlord's reasonable consent. Upon the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord all keys to the Premises and the Total Property.

(4) Tenant shall not install or operate any steam or internal combustion engine, boiler, machinery, or carry on any mechanical business within the Premises. Tenant shall not use any fuel source within the Premises other than the fuel source(s) provided by Landlord.

(5) Tenant shall not permit within the Premises any animals other than service animals; not shall Tenant create or allow any foul or noxious gas, noise, odors, sounds, and/or vibrations to emanate from the Premises, or create any interference with the operation of any equipment or radio or television broadcasting/reception from within or about the Total Property, which may obstruct or interfere with the rights of other tenant(s) in the Total Property.

(6) All sidewalks, loading areas, stairways, doorways, corridors and other common areas shall not be obstructed by Tenant or used for any purpose other than for ingress and egress. Landlord retains the right to control all public and other areas not specifically designated as the Premises, provided nothing herein shall be construed to prevent access to the Premises or the common areas of the Total Property by Tenant or Tenant's invitees.

(7) Tenant shall not install any window treatments other than existing treatments or otherwise obstruct the windows of the Premises without Landlord's prior written consent.

(8) After business hours, Tenant shall lock all doors and windows of the Premises which enter upon any common areas of the Total Property.

(9) Any person(s) who shall be employed by Tenant for the purpose of cleaning the Premises shall be employed at Tenant's cost. Tenant shall indemnify and hold Landlord harmless from all losses, claims, liability, damages and expenses, including reasonable attorneys' fees, for any injury to person or damage to property of Tenant or third persons caused by Tenant's cleaning contractor.

(10) Tenant shall not canvass or solicit business or allow any employee of Tenant to canvass or solicit business from other tenants in the Total Property, unless the same is within the scope of Tenant's normal business.

(11) Landlord reserves the right to place into effect a "no smoking" policy within all or selected portions of the common areas of the Total Property, wherein Tenant, its agents, employees and invitees shall not be allowed to smoke. Tenant shall not be allowed to smoke in any common stairwells, elevators or bathrooms; nor shall Tenant dispose of any smoking material including, without limitation, matches, ashes and cigarette butts on the floors of the Total Property, about the grounds of the Total Property, or in any receptacle other than a specifically designated receptacle for smoking.

EXHIBIT D

FORM OF COMMENCEMENT DATE CERTIFICATE

This Commencement Date Certificate (this "Certificate"), dated as of this 20th day of March, 2006, by and between Creative Developments, LLC, having an address of 10900 Pump House Road, Annapolis Junction, Maryland 20701 (hereinafter called the "Landlord"), and Promark Technology, Inc. having a mailing address of **10810 Guilford Road, Annapolis Junction, Maryland 20701** (hereinafter called the "Tenant");

RECITALS:

A. By Lease (the "Lease") dated as March 20, 2006 between Landlord and Tenant, Landlord demised and leased unto Tenant certain premises consisting of approximately Nine Thousand (9,000) square feet in that certain building owned by Landlord located in Howard County, Maryland at 10900 Pump House Road, Annapolis Junction.

B. Pursuant to the terms of Section 3 of the Lease, the term under the Lease shall commence on March 20, 2006.

C. Section 3 of the Lease provides that Landlord and Tenant shall execute the within Certificate within thirty (30) days of the commencement of the term of the Lease, and the parties are executing the within Certificate in furtherance of said provisions.

NOW, THEREFORE, the parties hereto agree as follows:

1. The term of said Lease commenced on March 20, 2006, and shall continue until April 30, 2015, unless sooner terminated or extended as provided therein.

2. The first "Lease Year" shall be considered to commence on August 1, 2006 , and to expire on July 30, 2007.

3. The second "Lease Year" shall be considered to commence on August 1, 2007 and to expire on July 30, 2008, and all subsequent Lease Years shall begin and terminate on the same dates in subsequent years.

4. Those terms that are defined in the Lease shall have the same meaning in this Certificate.

IT WITNESS WHEREOF, Landlord and Tenant have caused this Certificate to be duly executed, and intending for this Certificate to be a specialty sealed it, as of the day and year first above written.

WITNESS/ATTEST

/s/ Jody Franklin

CREATIVE DEVELOPMENTS, LLC

By: /s/ Janice Tippett (Seal)
Print Name: Janice Tippett
Title: President/Owner
"Landlord"

/s/ William J. Ochall

PROMARK TECHNOLOGY, INC.

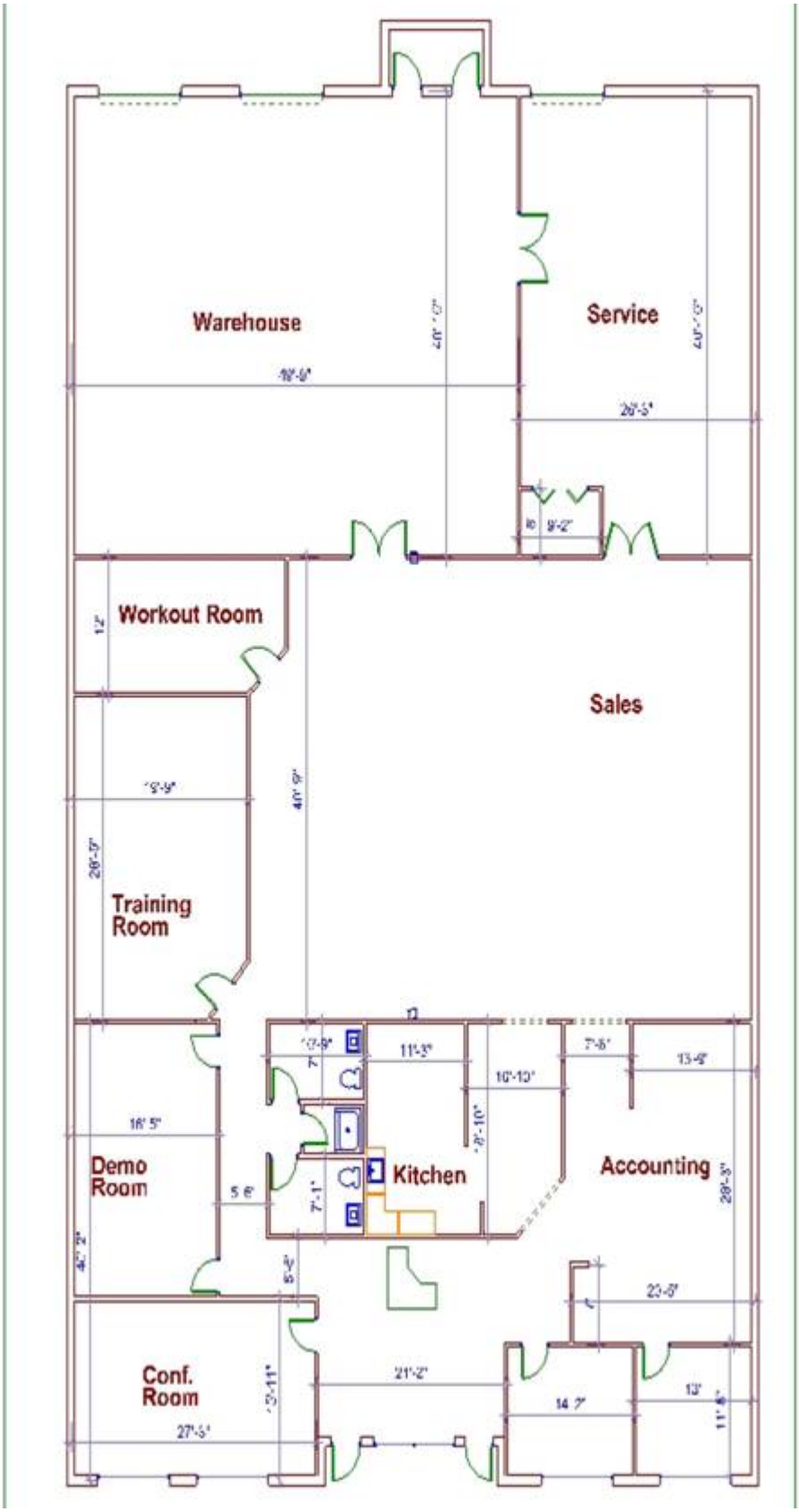
By: /s/ Dale R. Foster (Seal)
Print Name: Dale R. Foster
Title: President
"Tenant"

EXHIBIT E

TENANT ALTERATIONS PRE-APPROVAL

SUBJECT TO LANDLORD APPROVAL OF PLANS FROM TENANT:

1.



SAND HILLS, INC.
SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary	State of Incorporation
United Strategies, Inc.	Delaware
Promark Technology, Inc.	Maryland

Silberstein Ungar, PLLC CPAs and Business Advisors

Phone (248) 203-0080
Fax (248) 281-0940
30600 Telegraph Road, Suite 2175
Bingham Farms, MI 48025-4586
www.sucpas.com

March 30, 2012

Securities and Exchange Commission
Office of the Chief Accountant
450 Fifth Street, N.W.
Washington, DC 20549

Re: Sand Hills, Inc. (the "Company")
Commission file number: 000-53736

Dear Sirs/Madames:

We have read the statements of the Company pertaining to our Firm included under Item 4.01 of Form 8-K dated March 30, 2012 and agree with such statements as they pertain to our Firm. We have no basis to agree or disagree with other statements of the registrant contained therein.

We hereby consent to the filing of this letter as an exhibit to the foregoing report on Form 8-K.

Yours truly,

/s/ Silberstein Ungar, PLLC

Silberstein Ungar, PLLC

TABLE OF CONTENTS **Pages**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of United Strategies, Inc. and Subsidiary

We have audited the accompanying consolidated balance sheets of United Strategies, Inc. and Subsidiaries (the "Company") as of June 30, 2011 and 2010, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2011. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on this consolidated financial statement based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Strategies, Inc. and Subsidiary as of June 30, 2011 and 2010, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

/s/ Stegman & Company, P.C.

Baltimore, MD
March 30, 2012

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 and 2010

ASSETS

	2011	2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 377,212	$ 891,729
Accounts receivable, net of allowance for doubtful accounts of $255,000 for 2011 and 2010	14,461,926	13,137,096
Other receivable	-	24,707
Inventory, net of allowance for obsolescence of $40,000 for 2011 and 2010	1,766,064	1,669,506
Prepaid expenses	100,295	199,298
Notes receivable – stockholders	-	7,357
Deferred income taxes	166,158	138,463
Total current assets	16,871,655	16,068,156
PROPERTY, PLANT AND EQUIPMENT:		
Net of accumulated depreciation of $468,067, $394,044 and $327,671 for 2011, 2010 and 2009 respectively	201,130	241,635
OTHER ASSETS:		
Goodwill, net of accumulated amortization of $1,318,680 for 2011 and 2010	1,558,536	1,558,536
Intangible Assets – Niksar, net of accumulated amortization of $91,667 for 2011	183,333	275,000
Cash surrender value of life insurance	374,827	124,385
Other assets	11,912	11,912
Total other assets	2,128,608	1,969,833
TOTAL ASSETS	$ 19,201,393	$ 18,279,624

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 AND 2010

LIABILITIES AND STOCKHOLDERS' EQUITY

	2011	2010
CURRENT LIABILITIES:		
Accounts payable	$ 11,110,476	$ 11,354,312
Accrued expenses	282,712	440,506
Revolving line of credit	4,817,951	3,489,367
Total current liabilities	16,211,139	15,284,185
STOCKHOLDERS' EQUITY:		
Series B convertible preferred stock, designated 702,000 shares, issued and outstanding 167,000 shares in 2011 and 2010 (aggregate liquidating preference of $308,950 in 2011 and 2010)	167	167
Common stock $.001 par value, 20,000,000 shares authorized 7,100,889 and 7,921,456 shares issued and outstanding in 2011 and 2010, respectively	7,100	7,921
Additional paid in capital	2,048,866	2,098,665
Retained earnings	934,121	888,686
Total stockholders' equity	2,990,254	2,995,439
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 19,201,393	$ 18,279,624

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED JUNE 30, 2011, 2010 and 2009

	2011	2010	2009
REVENUE	$ 92,613,839	$ 84,077,583	$104,803,724
COST OF REVENUE	85,535,438	77,775,430	96,323,219
GROSS PROFIT	7,078,401	6,302,153	8,480,505
OPERATING EXPENSES:			
Selling, general and administrative	6,757,170	6,261,321	6,976,253
Depreciation and amortization	165,690	66,373	56,738
Total operating expenses	6,922,860	6,327,694	7,032,991
OPERATING INCOME (LOSS)	155,541	(25,541)	1,447,514
INTEREST EXPENSE (NET)	97,644	135,792	71,285
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	57,897	(161,333)	1,376,229
INCOME TAX EXPENSE (BENEFIT)	12,462	(65,335)	544,256
INCOME (LOSS) FROM CONTINUING OPERATIONS	45,435	(95,998)	831,973
DISCONTINUED OPERATIONS			
Income from operations of discontinued subsidiaries, including loss on disposal of $69,877 for the year ended June 30, 2009	-	-	220,886
Income tax expense	-	-	107,865
Total income from discontinued operations	-	-	113,021
NET INCOME (LOSS)	$ 45,435	$ (95,998)	$944,994

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED JUNE 30, 2011, 2010 and 2009

	2011	2010	2009
Basic Earnings per share - continuing operations	$ 0.01	$ (0.01)	$ 0.13
Dilutive Earnings per share - continuing operations	$ 0.00	$ (0.01)	$ 0.10
Basic Earnings per share - discontinued operations, net of tax	$ -	$ -	$ 0.02
Dilutive Earnings per share - discontinued operations, net of tax	$ -	$ -	$ 0.01
Basic Earnings per share	$ 0.01	$ (0.01)	$ 0.15
Dilutive Earnings per share	$ 0.00	$ (0.01)	$ 0.12
Weighted average shares - basic	7,458,341	7,921,456	6,377,268
Weighted average shares - diluted	9,259,634	7,921,456	8,086,253

 See accompanying notes.

UNITED STRATEGIES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
AS OF JUNE 30, 2011, 2010 and 2009

	Series B Convertible Preferred Stock		Common Stock		Additional Paid In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			
Balance as of July 1, 2008	167,000	$ 167	4,246,370	$ 4,246	$ 2,121,918	$ 39,690	$ 2,166,021
Exercise of stock options	-	-	4,009,086	4,009	76,173	-	80,182
Share-based compensation	-	-	-	-	33,840	-	33,840
Repurchase of common stock	-	-	(334,000)	(334)	(133,266)	-	(133,600)
Net Income	-	-	-	-	-	944,994	944,994
Balance as of June 30, 2009	167,000	167	7,921,456	7,921	2,098,665	984,684	3,091,437
Net (Loss)						(95,998)	(95,998)
Balance as of June 30, 2010	167,000	167	7,921,456	7,921	2,098,665	888,686	2,995,439
Share-based compensation	-	-	-	-	47,000	-	47,000
Repurchase of common stock	-	-	(820,567)	(821)	(96,799)	-	(97,620)
Net Income	-	-	-	-	-	45,435	45,435
Balance as of June 30, 2011	167,000	$ 167	7,100,889	$ 7,100	$ 2,048,866	$ 934,121	$ 2,990,254

 See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011, 2010 AND 2009

	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 45,435	$ (95,998)	$ 944,994
Adjustments to reconcile net income to			
net cash provided by operating activities:			
Depreciation and amortization	165,690	66,373	56,738
Stock-based compensation	47,000	-	33,840
Bad debt expense	62,439	416,901	206,883
Change in deferred income tax	(27,695)	(25,760)	(48,606)
Loss on sale of subsidiaries	-	-	69,877
Change in cash surrender value of life insurance	(250,442)	(87,154)	(37,231)
Changes in operating assets and liabilities:			
Accounts receivable	(1,387,270)	(788,708)	2,243,977
Other receivable	24,707	(24,707)	-
Inventory	(96,558)	228,410	(472,142)
Prepaid expenses	99,003	(179,749)	28,186
Other assets	-	(4,274)	(4,971)
Accounts payable	(243,836)	1,418,775	(4,146,940)
Accrued expenses	(157,794)	(248,158)	136,579
Income taxes payable	-	(105,618)	(439,159)
Net cash provided by (used In) operating activities	(1,719,321)	570,333	(1,427,975)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant & equipment	(33,518)	(75,082)	(18,478)
Repayments on notes receivable - stockholders	7,357	80,182	34,182
Proceeds from sale of subsidiaries	-	-	500,000
Net cash (used in) provided by investing activities	(26,161)	5,100	515,704
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of intangible asset – Niksar	-	(275,000)	-
Net (payments on) proceeds from revolving line of credit	1,328,584	(1,005,992)	2,212,932
Payments for repurchase of common stock	(97,619)	-	(133,600)
Net cash (used in) provided by financing activities	1,230,965	(1,280,992)	2,079,332
CHANGE IN CASH AND CASH EQUIVALENTS	(514,517)	(705,559)	1,167,061
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	891,729	1,597,288	430,227
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 377,212	$ 891,729	$ 1,597,288
Cash paid during the year for:			
Interest	$ 103,144	$ 136,064	$ 94.666
Taxes	$ 34,444	$ 62,612	$ 1,134,422

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
United Strategies, Inc. (the "Company"), a Delaware Corporation, was incorporated on December 30, 1997, as a management holding company. The Company acquired Promark Technology, Inc. (Promark), previously known as System Solutions Technology, Inc. (SST) on June 18, 1998. Promark is a value-added distributor of storage systems and related equipment. Promark assembles computer systems and peripheral equipment to meet exact customer requirements and also provides maintenance services.

Basis of Presentation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Promark. All material intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents
Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less from the date of purchase.

Accounts Receivable
Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance (allowance for doubtful accounts) based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to trade accounts receivable.

Inventory
Inventory, which consists of computer and peripheral equipment (both finished goods), is stated at the lower of cost or market. Inventory costs are determined using first-in, first-out method.

Goodwill
Goodwill is the excess of the purchase price paid over the fair value of the identifiable net assets acquired in purchase business combinations. The Company accounts for goodwill in accordance with ASC 350 *Goodwill and Other Intangible Assets*. Under ASC 350, goodwill is subject to annual impairment tests or more frequently when events and circumstances occur indicating that recorded goodwill may be impaired. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. The implied fair value of goodwill is the amount determined by deducting the estimated fair value of all the tangible and identifiable intangible net assets of the reporting unit to which goodwill has been allocated from the estimated fair value of the reporting unit. If the recorded value of goodwill exceeds its implied value, an impairment charge is recorded for the excess. There were no such impairments in 2011, 2010 or 2009.

Revenue Recognition

The Company distributes imaging systems and related equipment, and assembles and sells computer systems and peripheral equipment. Revenue from the sale of such products is recognized when the Company ships the product to customers and title has passed. Promark also receives commissions from providing sales-agent services to third parties. Such commissions are recognized as revenue when the commissions are received.

Depreciation and Amortization

Property, plant and equipment is recorded at cost, except of those assets acquired as part of the Promark acquisition, which have been recorded at their estimated fair values at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term.

Stock Options

The Company applies ASC 718-10, *Share-Based Payment*, which requires companies to measure the cost of share-based awards to employees based on the grant-date fair value of the award using an option pricing model, and to recognize the cost over the period during which an employee is required to provide service in exchange for the award. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options granted to employees and recognizes the compensation cost of employee share-based awards in its statement of operations using the straight-line method over the vesting period of the award, net of estimated forfeitures.

The use of the Black-Scholes option pricing model to estimate the fair value of share-based awards requires that the Company make certain assumptions and estimates for required inputs to the model, including (i) the fair value of the Company's common stock at each grant date, (ii) the expected volatility of the Company's common stock value based on industry comparisons, (iii) the expected life of the share-based award, (iv) the risk-free interest rate, and (v) the dividend yield. The Company uses the Black-Scholes option pricing model. The Black-Scholes option pricing model was developed for estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed

The Company has adopted the provision that long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair values of the assets. There were no such impairments for the years ended June 30, 2011, 2010 and 2009.

Income Taxes

The Company calculates its income tax provision using the asset and liability method. Under the asset and liability method, deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Since the Company files a consolidated federal income tax return, Promark is charged for the proportional share of federal income tax on its net taxable income. Promark is subject to state income tax and report these expenses as incurred.

Uncertain Tax Positions

Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by the tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include allowance for doubtful accounts, reserve for inventory obsolescence, and recoverability of deferred tax assets. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject to the Company to concentration of credit risk consist principally of trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers composing the company's customer base, and their dispensation across many different industries. Additionally, the Company maintains cash balances that, at times, during the years ended June 30, 2011, 2010 and 2009, exceeded the federally insured limit per financial institution.

Advertising

Costs incurred for producing and communicating advertisements are expensed as incurred and included in Selling, general and administrative expenses in the accompanying statement of operations. Advertising expenses, net of reimbursements from suppliers, were immaterial for the years ended June 30, 2011, 2010 and 2009.

NOTE 2 – NOTES RECEIVABLE - STOCKHOLDERS

In January 2009, three key employees exercised stock options to purchase 4,009,086 shares of common stock for a total of $80,182. In lieu of cash, the Company agreed to accept notes receivable from these employee/stockholders. The notes accrued interest at 6.0% per annum which was payable in monthly installments with the first payment due in August 2009. All unpaid principal and interest was due January 2014. The remaining balance of these notes receivable was $80,812 at June 30, 2009 and is included in notes receivable – stockholders. The balance was paid off in its entirety at June 30, 2010.

In September 2007, four key employees exercised stock options to purchase 2,076,941 shares of common stock for a total of $41,539. In lieu of cash, the Company agreed to accept notes receivable from these employee/stockholders. The notes accrued interest at 6.0% per annum which was payable in monthly installments with the first payment due September 2008. All unpaid interest and principal was due August 2013. The balance was paid off in its entirety at June 30, 2011.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following at June 30:

	2011	2010	2009
Machinery and equipment	$ 334,208	$ 311,812	$ 236,729
Automobiles	5,000	5,000	5,000
Office furniture and equipment	66,464	59,795	59,795
Leasehold improvements	263,525	259,072	259,072
	669,197	635,679	560,596
Less accumulated depreciation and amortization	(468,067)	(394,044)	(327,671)
Property, plant and equipment, net	$ 201,130	$ 241,635	$ 232,925

Depreciation and amortization expense on property, plant and equipment amounted to $165,689, $66,674 and $50,556 for the years ended June 30, 2011, 2010 and 2009, respectively.

NOTE 4 – REVOLVING LINE OF CREDIT

For the year ended June 30, 2010, the Company had a commercial bank revolving line of credit for up to $10 million with interest payable at 0.5% above the financial institution's prime rate. Interest is payable on a monthly basis. The line was secured by substantially all of the Company's assets. The term of the agreement ended August 2010 and was subject to successive automatic renewals of one year thereafter. The loan agreement relating to the $10 million line of credit provided for borrowings based upon using as collateral certain trade receivables less than 90 days old and fifty percent of inventory. The inventory base could yield a borrowing amount to a maximum of $750,000. It also contained other various financial covenants.

On August 17, 2010, a loan agreement was signed with a different financial institution. Under the new agreement, the Company has a revolving line of credit for up to $10 million with interest payable at the financial institution's prime rate. Interest is payable on a monthly basis. The line is secured by substantially all of the Company's assets. The loan has a tangible net worth and fixed charge coverage financial covenant. During fiscal year 2011, the Company was not in compliance with one of the covenants, a waiver of the violations of the covenant was obtained by the Company from the financial institution. The term of the agreement was set to expire November 5, 2011 and has subsequently been extended to November 5, 2012.

The balance of the revolving line of credit was $4,817,951 and $3,489,366 at June 30, 2011 and 2010.

NOTE 5 – RETIREMENT PLANS

The Company sponsors a 401(k) profit sharing plan (the "Plan") covering substantially all of its employees subject to certain age and length of service requirements. Employee contributions are elected by the employee as a percent of employee's salary. The Company may make discretionary contributions to the Plan. Effective January 1, 2011, the Company discontinued its policy on matching employee deferral contributions. The Company contributed approximately $77,000, $138,000 and $146,000 for the years ended June 30, 2011, 2010 and 2009, respectively.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The company leases certain office space under an operating lease agreement. The lease term began in March 2006 and expires in July 2016. Future minimum lease payments as of June 30, 2011, under non-cancelable operating leases for each of the next five years are as follows:

Year ending June 30		
2012	$	83,349
2013		85,433
2014		87,569
2015		89,758
2016		92,002

Rent expense attributable to operating leases was approximately $81,000, $74,000 and $65,000 for the years ended June 30, 2011, 2010 and 2009, respectively.

NOTE 7 – COMMON STOCK

Under various stock pledge agreements, the holders of common stock are not entitled to receive any dividends or other distributions from the Company unless and until all of the obligations owed to the financial institutions, as described in Note 4, have been performed and/or paid in full.

In December 2010, the Company repurchased and retired 820,567 shares of common stock.

Series B Convertible Preferred Stock

On June 18, 1998, in connection with the acquisition of MSTC, the Company issued 702,000 shares of Series B Convertible Preferred Stock at $0.0001 par value per share and $1.85 stated value per share. The holders of Series B Convertible Preferred Stock are entitled to receive noncumulative dividends, prior to any declaration or payment of any dividend on the common stock, at a rate of 6 percent of the stated value per annum. These dividends are payable when declared by the Board of Directors.

In the event of any voluntary or involuntary liquidation, Series B Convertible Preferred Stockholders are entitled to receive, prior to any distribution of any assets of the Company to the common stockholders, an amount equal to the sum of (1) the stated value for each outstanding share of Series B convertible Preferred, as adjusted to reflect any stock splits, stock dividends or other recapitalization and (2) an amount equal to all declared but unpaid dividends on each such share.

Series B Convertible Preferred Stockholders have the right to vote with the common stockholders as single class, and have the right to one vote for each share of common stock into which such share of Series B Convertible Preferred could then be converted.

Series B Convertible Preferred Shares will be converted into shares of common stock upon the consummation of an Initial Public Offering. Each share of Series B Convertible Preferred Stock is convertible into one share of common stock, adjusted to reflect any stock splits, stock dividends, or other recapitalizations of common stock.

In connection with the pending merger, each outstanding Series B Convertible share will be converted into one share of common stock.

The liquidation value of Series B Convertible Preferred Stock was $308,950 as of June 30, 2011 and 2010.

NOTE 8 – EARNINGS PER SHARE

Basic earnings (loss) per common share is computed by dividing net earnings (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per common share include the potential dilution that would occur from the common shares issuable upon the exercise of outstanding stock options and warrants and the conversion of preferred stock. The following summarizes the computations of basic and diluted earnings (loss) per share:

	June 30, 2011	June 30, 2010	June 30, 2009
Income (loss) available to common stockholders - continuing operations	$ 45,435	$ (95,998)	$ 831,973
Income (loss) available to common stockholders - discontinued operations, net of tax	-	-	113,021
Income (loss) available to common stockholders	$ 45,435	$ (95,998)	$ 944,994
Weighted average shares - basic	7,458,341	7,921,456	6,377,268
Effect of convertible preferred stock	167,000	-	167,000
Effect of dilutive stock options	1,634,293	-	1,541,985
Weighted average shares - diluted	9,259,634	7,921,456	8,086,253
Earnings per share – basic - continuing operations	$ 0.01	$ (0.01)	$ 0.13
Earnings per share – diluted - continuing operations	$ 0.00	$ (0.01)	$ 0.10
Earnings per share – basic - discontinued operations, net of tax	$ -	$ -	$ 0.02
Earnings per share – diluted - discontinued operations, net of tax	$ -	$ -	$ 0.01
Earnings per share - Basic	$ 0.01	$ (0.01)	$ 0.15
Earnings per share - diluted	$ 0.00	$ (0.01)	$ 0.12

There were no antidilutive securities as of June 30, 2011 or 2009. For the year ended June 30, 2010, there were 3,523,543 antidilutive stock options and 167,000 antidilutive shares of convertible preferred stock.

NOTE 9 – STOCK OPTION PLAN

Effective November 30, 2001, the Company adopted the 2001 Stock Option Plan (the "Plan"), which supersedes the 1998 plan and provides for issuance of up to 1,500,000 shares of common stock. The Plan was amended in July 2010 to provide for the issuance of up to 17,663,572 shares of common stock. The Plan provides for, among other things, the issuance of incentive stock options. Any employee, non-employee director, independent contractor, or consultant of the Company of its subsidiary shall be eligible to be considered for the grant of shares of common stock of the Company or a stock option with an exercise or conversion privilege at a price related to the common stock or with a value derived from the value of the common stock. The options are intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code.

The Company estimates the fair value of stock options on the date of grant using the Black-Scholes-Merton option valuation model and the straight-line attribution approach with the following weighted average assumptions for the years ended June 30, 2011, 2010 and 2009. Using the calculated method, management has determined that the options issued in fiscal year ended June 30, 2011 have a value of approximately $0.10 per share. Compensation cost recognized on the options granted for the year ending June 30, 2011 was $47,000. There were no stock options granted for the fiscal year ended June 30, 2010 and 600,000 stock options were granted during fiscal year ended June 30, 2009.

	2011	2010	2009
Expected Term (in years)	9.93	0	9.93
Volatility	75.00%	0	75.00%
Risk-free interest rate	2.96%	0	3.71%
Dividend yield	-	-	-

A summary of stock options activity for the year ended June 30, 2011 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Intrinsic Value
Outstanding at July 1, 2010	3,523,543	$ 0.04	7.8 years	$ 246,648
Options Granted	470,000	0.07	9.0 years	$ 37,600
Options Exercised	-	-		
Options Forfeited	(804,433)	0.04	7.2 years	$ 64,355
Outstanding at June 30, 2011	3,189,110	$ 0.04	6.1 years	$ 319,484
Exercisable at June 30, 2011	3,189,110	$ 0.04	6.1 years	$ 319,484

The Company will not incur any additional expenses related to stock options outstanding at June 30, 2011.

Expected Term: The Company's expected term represents the period that the Company's stock-based awards are expected to be outstanding and was determined based on historical experience of similar awards, giving consideration for the contractual terms of the stock-based awards and vesting schedules.

Expected Volatility: The fair value of stock based options made for the year ended June 30, 2011, were valued using the Black-Scholes valuation method with a volatility factor based on the historical stock prices of publically traded companies operating in the same industry as the Company over the expected term of the option.
Risk-Free Interest Rate: The Company bases the risk-free interest rate on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend: The Company has not paid any dividends. The Company currently has no plans to pay or declare dividends.

NOTE 10 – INCOME TAXES

The components of the deferred income tax asset (liability) accounts are temporary differences arising from the following as of June 30, 2011 and 2010:

	2011	2010
Accounts receivable	$ 102,000	$ 102,000
Inventory	16,000	16,000
Intangible asset	29,334	-
Property and equipment	18,824	20,463
Total deferred tax assets	$ 166,158	$ 138,463

The components of the income tax provision were as follows for the years ended June 30, 2011, 2010 and 2009:

	2011	2010	2009
Current expense (benefit)	$ 40,157	$ (39,575)	$ 694,734
Deferred expense (benefit)	(27,695)	(25,760)	(42,613)
	$ 12,462	$ (65,335)	$ 652,121

A reconciliation of income tax at the statutory rate to the Company's effective rate is as follows for the years ended June 30:

	2011	2010	2009
Federal taxes	34.0%	34.0%	34.0%
Reduction due to graduated rate	(16.6%)	0.0%	0.0%
State taxes	5.4%	5.4%	5.4%
Other permanent differences	(1.3%)	1.1%	1.4%
Effective rate	21.5%	40.5%	40.8%

NOTE 11 – MAJOR CUSTOMERS/VENDORS

During the years ended June 30, 2011, 2010 and 2009, the Company had sales to CDW Corporation, that were approximately 23%, 24% and 22%, respectively, of total annual sales. This customer had outstanding receivables to the Company of approximately 10%, 14% and 15% of the total outstanding receivables at June 30, 2011, 2010 and 2009 respectively.

Additionally, during the year ended June 30, 2011, the Company purchased goods for resale from one vendor, Exagrid, amounting to approximately 15% of total purchases. For the years ended June 30, 2010 and 2009, the company purchased goods for resale from one vendor, HP/Lefthand Networks, amounting to approximately 21% and 50% of total purchases.

NOTE 12 – RELATED PARTY TRANSACTIONS

The other receivable amount on the balance sheet of $24,707 at June 30, 2010 represents amounts due from MSTC and QFI. The balance relates to expenses that the Company paid on behalf of MSTC and QFI. At June 30, 2011, this amount has been repaid. Both MSTC and QFI were previous subsidiaries of the Company and share common ownership with the Company. They provide a wide range of services, including imaging and document system design, facility management, records reproduction and quality assurance services.

During fiscal year ending June 30, 2011, $24,440 was paid to QFI for imaging and consulting services.

Two of the Company’s shareholders are owners of limited liability company that owns rental property. This property was used by the Company’s employees and vendors periodically throughout the year. During the year ended June 30, 2011, the Company paid rental fees of $99,000 to the limited liability company for the use of the property.

NOTE 13 – INTANGIBLE ASSETS

During June 2010, the Company hired an employee, from Niksar Data Services (Niksar), to head its professional services division. The Company paid $275,000 to Niksar and the employee signed a three-year employment agreement that included a non-compete clause. This non-compete clause will be amortized over the life of the employee's employment contract. The Company will recognize $91,667 in fiscal years 2011, 2012 and 2013.

NOTE 14 – SUBSEQUENT EVENTS

On November 5, 2011 the Company renewed it $10 million line of credit with the financial institution for a period of one year. The expiration date of the new arrangement is November 5, 2012.

On or about March 30, 2012, the Company plans to merge with Sand Hills, Inc. with the shareholders of the Company receiving Sand Hills, Inc. stock in exchange for the Company stock. Each Series B Preferred Share of the Company will be converted into one Common Share of the Company. All common shares of the Company will be exchanged for approximately three shares of Sand Hills, Inc.

TABLE OF CONTENTS **Pages**

CONSOLIDATED FINANCIAL STATEMENTS

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2011 and 2010
(UNAUDITED)

ASSETS

	2011	2010
CURRENT ASSETS:		
Cash and cash equivalents	$ 107,471	$ 300,323
Accounts receivable, net of allowance for doubtful accounts of $255,000 for 2011 and 2010	12,528,610	16,027,225
Other receivable	-	17,496
Inventory, net of allowance for obsolescence of $40,000 for 2011 and 2010	1,846,401	2,383,237
Prepaid expenses	83,224	144,844
Deferred income taxes	166,158	138,463
Total current assets	14,731,864	19,011,588
PROPERTY, PLANT AND EQUIPMENT:		
Net of accumulated depreciation of $505,810 and $431,198 for 2011 and 1010 respectively	238,793	209,840
OTHER ASSETS:		
Goodwill, net of accumulated amortization of $1,318,680 for 2011 and 2010	1,558,536	1,558,536
Intangible Assets – Niksar, net of accumulated amortization of $137,501 for 2011 and $45,834 in 2010	137,499	229,166
Cash surrender value of life insurance	393,271	250,000
	11,912	11,912
Other assets		
Total other assets	2,101,218	2,049,614
TOTAL ASSETS	$ 17,071,875	$ 21,271,042

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2011 and 2010
(UNAUDITED)

LIABILITIES

	2011	2010
CURRENT LIABILITIES:		
Accounts payable	$ 7,647,611	$ 10,859,366
Accrued expenses	361,392	385,125
Income taxes payable	0	111,545
Revolving line of credit	5,844,557	6,822,286
Total current liabilities	13,853,560	18,178,322
STOCKHOLDERS' EQUITY:		
Series B convertible preferred stock, designated 702,000 shares, issued and outstanding 167,000 shares (aggregate liquidating preference of $308,950)	167	167
Common stock $.001 par value, authorized, 20,000,000 shares, issued and outstanding 7,100,889 in 2011 and 2010	7,100	7,100
Additional paid in capital	2,298,190	2,001,866
Retained earnings	912,858	1,083,587
Total stockholders' equity	3,218,315	3,092,720
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 17,071,875	$ 21,271,042

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 AND 2010
(UNAUDITED)

	6 MONTHS ENDED December 31, 2011	6 MONTHS ENDED December 31, 2010
REVENUE	$ 51,028,724	$ 50,514,254
COST OF REVENUE	47,402,282	46,787,680
GROSS PROFIT	3,626,442	3,726,574
OPERATING EXPENSES		
Selling, general and administrative	3,492,305	3,299,285
Depreciation and amortization	83,577	82,988
Total operating expenses	3,575,882	3,382,273
OPERATING INCOME	50,560	344,301
INTEREST EXPENSE (NET)	71,823	34,400
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	(21,263)	309,901
INCOME TAX EXPENSE	-	115,000
NET INCOME (LOSS)	$ (21,263)	$ 194,901

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Basic Earnings per share	$ (0.00)	$ 0.02
Dilutive Earnings per share	$ (0.00)	$ 0.01
Basic Earnings per share - discontinued operations, net of tax	$ -	$ -
Dilutive Earnings per share - discontinued operations, net of tax	$ -	$ -
Basic Earnings per share	$ 0.01	$ (0.01)
Dilutive Earnings per share	$ 0.00	$ (0.01)
Weighted average shares - basic	7,100,889	7,812,047
Weighted average shares - diluted	7,100,889	10,303,306

See accompanying notes.

UNITED STRATEGIES, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
AS OF DECEMBER 31, 2011 AND 2010
(UNAUDITED)

	Series B Convertible Preferred Stock		Common Stock		Additional Paid In Capital	Retained Earnings	Total Shareholders Equity
	Shares	Amount	Shares	Amount			
Balance as of July 1, 2010	167,000	$ 167	7,921,456	$ 7,921	$ 2,098,665	$ 888,686	$ 2,995,439
Repurchase of common stock	-	-	(820,567)	(821)	(96,799)	-	(97,620)
Net Income	-	-	-	-	-	194,901	194,901
Balance as of December 31,2010	167,000	$ 167	7,100,889	$ 7,100	$ 2,001,866	$ 1,083,587	$ 3,092,720
Balance as of July 1, 2011	167,000	$ 167	7,100,889	$ 7,100	$ 2,048,866	$ 934,121	$ 2,990,254
Share-based compensation	-	-	-	-	249,324	-	249,324
Net Income (loss)	-	-	-	-	-	(21,263)	(21,263)
Balance as of December 31,2011	167,000	$ 167	7,100,889	$ 7,100	$ 2,298,190	$ 912,858	$ 3,218,315

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011 AND 2010
(UNAUDITED)

	December 31, 2011	December 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) income	$ (21,263)	$ 194,901
Adjustments to reconcile net income to		
net cash provided by operating activities:		
Depreciation and amortization	83,577	82,989
Share-based compensation	249,324	-
Bad debt expense	15,548	-
Change in cash surrender value of life insurance	(18,444)	(125,615)
Changes in operating assets and liabilities:		
Accounts receivable	1,917,768	(2,890,129)
Other receivable	-	7,211
Inventory	(80,337)	(713,731)
Prepaid expenses	17,071	54,454
Accounts payable	(3,462,865)	(494,946)
Accrued expenses	78,680	(55,381)
Income taxes payable	0	111,545
Net cash used in operating activities	(1,220,941)	(3,828,702)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant & equipment	(75,406)	(5,360)
Repayments on notes receivable - stockholders	-	7,357
Net cash provided by (used in) investing activities	(75,406)	1,997
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (payments on) proceeds from revolving line of credit	1,026,606	3,332,919
Payments for repurchase of common stock	-	(97,620)
Net cash provided by (used in) financing activities	1,026,606	3,235,299
CHANGE IN CASH AND CASH EQUIVALENTS	(269,741)	(591,406)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	377,212	891,729
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 107,471	$ 300,323
Cash paid during the year for:		
Interest	$ 71,833	$ 34,400
Taxes	$ -	$ -

See accompanying notes.

UNITED STRATEGIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
For the Six Months Ended December 31, 2011 and 2010
(Unaudited)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
United Strategies, Inc. (the "Company"), a Delaware Corporation, was incorporated on December 30, 1997, as a management holding company. The Company acquired Promark Technology, Inc. (Promark), previously known as System Solutions Technology, Inc. (SST) on June 18, 1998. Promark is a value-added distributor of storage systems and related equipment. Promark assembles computer systems and peripheral equipment to meet exact customer requirements and also provides maintenance services.

Basis of Presentation
The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Promark. All material intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents
Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less from the date of purchase.

Accounts Receivable
Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance (allowance for doubtful accounts) based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to trade accounts receivable.

Inventory
Inventory, which consists of computer and peripheral equipment (both finished goods), is stated at the lower of cost or market. Inventory costs are determined using first-in, first-out method.

Goodwill
Goodwill is the excess of the purchase price paid over the fair value of the identifiable net assets acquired in purchase business combinations. The Company accounts for goodwill in accordance with ASC 350 *Goodwill and Other Intangible Assets*. Under ASC 350, goodwill is subject to annual impairment tests or more frequently when events and circumstances occur indicating that recorded goodwill may be impaired. Impairment is the condition that exists when the carrying amount of goodwill exceeds its implied fair value. The implied fair value of goodwill is the amount determined by deducting the estimated fair value of all the tangible and identifiable intangible net assets of the reporting unit to which goodwill has been allocated from the estimated fair value of the reporting unit. If the recorded value of goodwill exceeds its implied value, an impairment charge is recorded for the excess.

Revenue Recognition

The Company distributes imaging systems and related equipment, and assembles and sells computer systems and peripheral equipment. Revenue from the sale of such products is recognized when the Company ships the product to customers and title has passed. Promark also receives commissions from providing sales-agent services to third parties. Such commissions are recognized as revenue when the commissions are received.

Depreciation and Amortization

Property, plant and equipment is recorded at cost, except of those assets acquired as part of the Promark acquisition, which have been recorded at their estimated fair values at the date of acquisition. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term.

Stock Options

The Company applies ASC 718-10, *Share-Based Payment*, which requires companies to measure the cost of share-based awards to employees based on the grant-date fair value of the award using an option pricing model, and to recognize the cost over the period during which an employee is required to provide service in exchange for the award. The Company uses the Black-Scholes option pricing model to determine the fair value of stock options granted to employees and recognizes the compensation cost of employee share-based awards in its statement of operations using the straight-line method over the vesting period of the award, net of estimated forfeitures.

The use of the Black-Scholes option pricing model to estimate the fair value of share-based awards requires that the Company make certain assumptions and estimates for required inputs to the model, including (i) the fair value of the Company's common stock at each grant date, (ii) the expected volatility of the Company's common stock value based on industry comparisons, (iii) the expected life of the share-based award, (iv) the risk-free interest rate, and (v) the dividend yield. The Company uses the Black-Scholes option pricing model. The Black-Scholes option pricing model was developed for estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed

The Company has adopted the provision that long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair values of the assets. There were no such impairments for the six months ended December 31, 2011 and 2010.

Income Taxes

The Company calculates its income tax provision using the asset and liability method. Under the asset and liability method, deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Since the Company files a consolidated federal income tax return, Promark is charged for the proportional share of federal income tax on its net taxable income. Promark is subject to state income tax and report these expenses as incurred.

Uncertain Tax Positions

Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by the tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include allowance for doubtful accounts, reserve for inventory obsolescence, and recoverability of deferred tax assets. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject to the Company to concentration of credit risk consist principally of trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the large number of customers composing the company's customer base, and their dispensation across many different industries. Additionally, the Company maintains cash balances that, at times, during the six months ended December 31, 2011 and 2010, exceeded the federally insured limit per financial institution.

Advertising

Costs incurred for producing and communicating advertisements are expensed as incurred and included in Selling, general and administrative expenses in the accompanying statement of operations. Advertising expenses, net of reimbursements from suppliers, were immaterial for the six months ended December 31, 2011 and 2010.

NOTE 2 – NOTES RECEIVABLE - STOCKHOLDERS

In January 2009, three key employees exercised stock options to purchase 4,009,086 shares of common stock for a total of $80,182. In lieu of cash, the Company agreed to accept notes receivable from these employee/stockholders. The notes accrued interest at 6.0% per annum which was payable in monthly installments with the first payment due in August 2009. All unpaid principal and interest was due January 2014. The remaining balance of these notes receivable was $80,812 at June 30, 2009 and is included in notes receivable – stockholders. The balance was paid off in its entirety at June 30, 2010.

In September 2007, four key employees exercised stock options to purchase 2,076,941 shares of common stock for a total of $41,539. In lieu of cash, the Company agreed to accept notes receivable from these employee/stockholders. The notes accrued interest at 6.0% per annum which was payable in monthly installments with the first payment due September 2008. All unpaid interest and principal was due August 2013. The balance was paid off in its entirety at June 30, 2011.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes the following at December 31, 2011 and 2010:

	12/31/2011	12/31/2010
Machinery and equipment	$ 36,524	$ 317,171
Automobiles	5,000	5,000
Office furniture and equipment	74,117	59,795
Leasehold improvements	328,962	259,072
	744,603	641,038
Less accumulated depreciation and amortization	(505,810)	(431,198)
Property, plant and equipment, net	$ 238,793	$ 209,840

Depreciation and amortization expense on property, plant and equipment amounted to $37,743 and $37,154 for the six months ended December 31, 2011 and 2010, respectively.

NOTE 4 – REVOLVING LINE OF CREDIT

For the year ended June 30, 2010, the Company had a revolving line of credit for up to $10 million with interest payable at 0.5% above the financial institution's prime rate. Interest is payable on a monthly basis. The line was secured by substantially all of the Company's assets. The term of the agreement ended August 2010 and was subject to successive automatic renewals of one year thereafter. The loan agreement relating to the $10 million line of credit provided for borrowings based upon using as collateral certain trade receivables less than 90 days old and fifty percent of inventory. The inventory base could yield a borrowing amount to a maximum of $750,000. It also contained other various financial covenants.

On August 17, 2010, a loan agreement was signed with a different financial institution. Under the new agreement, the Company has a revolving line of credit for up to $10 million with interest payable at the financial institution's prime rate. Interest is payable on a monthly basis. The line is secured by substantially all of the Company's assets. The loan has a tangible net worth and fixed charge coverage financial covenant. The Company currently is not in compliance with one of the covenants but this will be addressed in a new loan agreement with the bank. A waiver of the violations of the covenant was obtained by the Company from the financial institution. The term of the agreement was set to expire November 5, 2011 and has subsequently been extended to November 5, 2012.

The balance of the revolving line of credit at December 31, 2011 and 2010 were $5,844,557 and 6,822,286 respectively.

NOTE 5 – RETIREMENT PLANS

The Company sponsors a 401(k) profit sharing plan covering substantially off of its employees subject to certain age and length of service requirements. Employee contributions are elected by the employee as a percent of employee's salary. The Company may make discretionary contributions to the Plan. Effective January 1, 2011, the Company discontinued its policy on matching employee deferral contributions. The Company contributed $77,587 for the six months ended December 31, 2010. Contributions were not made by the Company for the six months ended December 31, 2011.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The company leases certain office space under an operating lease agreement. The lease term began in March 2006 and expires in July 2016. Future minimum lease payments as of December 31, 2011, under non-cancelable operating leases for each of the next five years are as follows:

Year ending December 31	
2012	$ 84,038
2013	86,139
2014	88,292
2015	90,499
2016	92,762

Rent expense attributable to operating leases was approximately $40,826 and $41,158 for the six months ended December 31, 2011 and 2010 respectively.

NOTE 7 – COMMON STOCK

Under various stock pledge agreements, the holders of common stock are not entitled to receive any dividends or other distributions from the Company unless and until all of the obligations owed to the financial institutions, as described in Note 4, have been performed and/or paid in full.

In December 2010, the Company repurchased and retired 820,567 shares of common stock.

Series B Convertible Preferred Stock
On June 18, 1998, in connection with the acquisition of MSTC, the Company issued 702,000 shares of Series B Convertible Preferred Stock at $0.0001 par value per share and $1.85 stated value per share. The holders of Series B Convertible Preferred Stock are entitled to receive noncumulative dividends, prior to any declaration or payment of any dividend on the common stock, at a rate of 6 percent of the stated value per annum. These dividends are payable when declared by the Board of Directors.

In the event of any voluntary or involuntary liquidation, Series B Convertible Preferred Stockholders are entitled to receive, prior to any distribution of any assets of the Company to the common stockholders, an amount equal to the sum of (1) the stated value for each outstanding share of Series B convertible Preferred, as adjusted to reflect any stock splits, stock dividends or other recapitalization and (2) an amount equal to all declared but unpaid dividends on each such share.

Series B Convertible Preferred Stockholders have the right to vote with the common stockholders as single class, and have the right to one vote for each share of common stock into which such share of Series B Convertible Preferred could then be converted.

Series B Convertible Preferred Shares will be converted into shares of common stock upon the consummation of an Initial Public Offering. Each share of Series B Convertible Preferred Stock is convertible into one share of common stock, adjusted to reflect any stock splits, stock dividends, or other recapitalizations of common stock.

In connection with the pending merger, each outstanding Series B Convertible share will be converted into one share of common stock.

The liquidation value of Series B Convertible Preferred Stock was $308,950 as of December 31, 2011 and 2010.

NOTE 8 – EARNINGS PER SHARE

Basic earnings (loss) per common share is computed by dividing net earnings (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per common share include the potential dilution that would occur from the common shares issuable upon the exercise of outstanding stock options and warrants and the conversion of preferred stock. The following summarizes the computations of basic and diluted earnings (loss) per share:

	Six Months Ended	
	December 31, 2011	December 31, 2010
Income (loss) available to common stockholders	$ (21,263)	$ 194,901
Weighted average shares - basic	7,100,889	7,812,047
Effect of convertible preferred stock	0	167,000
Effect of dilutive stock options	0	2,324,259
Weighted average shares - diluted	7,100,889	10,303,306
Earnings per share - basic	$ 0.00	$ 0 .02
Earnings per share - diluted	$ 0.00	$ 0.01

There were no antidilutive securities as of December 31, 2010. For the six months December 31, 2011, there were 5,819,110 antidilutive stock options and 167,000 antidilutive shares of convertible preferred stock.

NOTE 9 – STOCK OPTION PLAN

Effective November 30, 2001, the Company adopted the 2001 Stock Option Plan (the "Plan"), which supersedes the 1998 plan and provides for issuance of up to 1,500,000 shares of common stock. The Plan was amended in July 2010 to provide for the issuance of up to 17,663,572 shares of common stock. The Plan provides for, among other things, the issuance of incentive stock options. Any employee, non-employee director, independent contractor, or consultant of the Company of its subsidiary shall be eligible to be considered for the grant of shares of common stock of the Company or a stock option with an exercise or conversion privilege at a price related to the common stock or with a value derived from the value of the common stock. The options are intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code.

The Company estimates the fair value of stock options on the date of grant using the Black-Scholes-Merton option valuation model and the straight-line attribution approach with the following weighted average assumptions for the periods ended December 31, 2011 and 2010. Using the calculated method, management has determined that the options issued in period ended December 31, 2011 have a value of approximately $0.12 per share.

	2011	**2010**
Expected Term (in years)	9.93	-
Volatility	75%	-
Risk-free interest rate	2.96%	-
Dividend yield	-	-

A summary of stock options activity for the six months December 31, 2011 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Intrinsic Value
Outstanding at July 1, 2011	3,189,110	$ 0.04	6.1 years	$ 319,648
Options Granted	2,630,000	0.12	9.8 years	$ 220,920
Options Exercised	-	-		
Options Forfeited	-	-		
Outstanding at December 31, 2011	5,819,110	$ 0.07	8.1 years	$ 285,136
Exercisable at June 30, 2011	5,819,110	$ 0.07	8.1 years	$ 285,136

The Company will not incur any additional expense related to stock options outstanding at December 31, 2011.

Expected Term: The Company's expected term represents the period that the Company's stock-based awards are expected to be outstanding and was determined based on historical experience of similar awards, giving consideration for the contractual terms of the stock-based awards and vesting schedules.

Expected Volatility: The fair value of stock based options made for the year ended June 30, 2011, were valued using the Black-Scholes valuation method with a volatility factor based on the historical stock prices of publically traded companies operating in the same industry as the Company over the expected term of the option.

Risk-Free Interest Rate: The Company bases the risk-free interest rate on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend: The Company has not paid any dividends. The Company currently has no plans to pay or declare dividends.

NOTE 10 – MAJOR CUSTOMERS/VENDORS

During the six months ended December 31, 2011 and 2010, the Company had sales to CDW Corporation, that were approximately 20% and 24% of total annual sales, respectively. This customer had outstanding receivables to the Company of approximately 10% of the total outstanding receivables at December 31, 2011 and 20% for December 31, 2010.

Additionally, during the six months ended December 31, 2011, the Company purchased goods for resale from one vendor, Exagrid, amounting to approximately 15% of total purchases. The company purchased approximately 15% from Dell-Compellent for the six months ended December 31, 2010.

NOTE 11 – RELATED PARTY TRANSACTIONS

The other receivable amount on the balance sheet of $17,496 at December 31, 2010 represents amounts due from MSTC and QFI. The balance relates to expenses that the Company paid on behalf of MSTC and QFI. At December 31, 2011, this amount has been repaid. Both MSTC and QFI were previous subsidiaries of the Company and share common ownership with the Company. They provide a wide range of services, including imaging and document system design, facility management, records reproduction and quality assurance services.

During the six months ended December 31, 2011 and 2010, QFI, Inc. was paid $8,009 and $25,623 respectively, for imaging and consulting services.

Two of the Company's shareholders are owners of limited liability company that owns rental property. This property was used by the Company's employees and vendors periodically throughout the year. During the six months ended December 31, 2011 and 2010, the Company paid rental fees of $51,000 and $49,000, respectively, to the limited liability company for the use of the property.

NOTE 12 – INTANGIBLE ASSETS

During June 2010, the Company hired an employee, from Niksar Data Services (Niksar), to head its professional services division. The Company paid $275,000 to Niksar and the employee signed a three-year employment agreement that included a non-compete clause. This non-compete clause will amortized over the life of the employee's employment contract. The Company will recognize and additional $45,834 in fiscal year 2012 and $91,667 in fiscal year 2013.

NOTE 13 – SUBSEQUENT EVENTS

On or about March 30, 2012, the Company plans to merge with Sand Hills, Inc. with the shareholders of the Company receiving Sand Hills, Inc. stock in exchange for the Company stock. Each Series B Preferred Share of the Company will be converted into one Common Share of the Company. All common shares of the Company will be exchanged for approximately three shares of Sand Hills, Inc.