



October 25, 2007

Mr. Customer  
Senior Associate  
Company XYZ  
Address

Subject: Technology Due Diligence of Company XYZ (DRAFT)

Dear:

We have completed the technology due diligence of Company XYZ per the statement of work. During this process we reviewed the following areas of technology:

- IT environment
- Product architecture for Company XYZ WebConnect suite of products
- Product software
- Company XYZ product engineering and development process

**Given the information that was made available to us and our review, we have discovered no areas of significant risk in our assessment.**

In general we find that the state of technology is similar to what we find in companies of this size, given the availability of resources and expertise.

The following areas of concern are noted that should be addressed in the three months following the transaction:

- Customer supporting application servers are hosted in the lab environment at the Prescott facility. These should be re-located to a commercial collocation environment as soon as possible.
- The Company XYZ company network is directly connected to a customer network – Costco. A firewall should be provisioned as soon as possible at Company XYZ to provide separation between the Costco network and the Company XYZ company network.
- Backups of the code base are currently the manual responsibility of the manager of the development team. An automated tape based solution should be implemented as soon as possible with tapes being rotated offsite for maximum protection.
- The technology refresh plan should be implemented starting with the ‘white box’ systems to bring them up to current support levels.
- A more robust secure communication mechanism between the eWebEnterprise and the G-100 site controller should be developed to be used when the enterprise application is hosted at a collocation facility. The data exchange on the network should be encrypted.



- The entire development environment is planned to be upgraded with new tools and a standard operating procedures manual. This should be implemented as soon as possible.

We have provided details and recommendations in the body of the attached report.

We believe a major component of growing a business successfully in today's competitive environment is the innovative use of IT systems and support. Information technology allows a company to compete through consistent processes that lead to more efficient product delivery and better customer service. The strategic use of cost effective technology prepares a company for whatever business transaction they become a part of, whether it be investment, merger, acquisition, or sale.

Please feel free to contact me if you need clarification on any portion of this report.

Sincerely,

Virtual Information Executives, LLC