

2nd August 2005

Dear Bobby Inman

First let me thank you for taking the time to meet with myself and Michael yesterday. I do greatly appreciate your ongoing guidance and introductions.

I would like to apologize for my immediate response and later lack of clarity in the meeting. I had gone into the meeting with an expectation of receiving the letter we had discussed, and was disappointed by your opening remarks. Once again, I apologize for my singular focus on the letter. I had discussed progress with the rest of my team in my report back from the previous meeting, and did not want to go back empty handed without the letter.

I am deeply flattered that you are generating excitement in Gefinor on our behalf, and that you would consider investing in the company. I do want to continue the diligence process with Inman Junior. As I have discussed with you previously, we have had bad experience with venture firms before – taking large amounts of management time, badgering customers, etc. I recognize that you and Gefinor have and can continue to add value to the company outside of equity investment. I am excited by and grateful for your continuing “exuberance” for the company – and would like to share it with the rest of my team to help to raise morale.

I hope that you might be able to write the letter we had initially discussed, reflecting the general levels of interest from and applicability to the defense and intelligence sectors. As I mentioned in our conversation, there are no other serious venture funds in play at this time, so we will not fill our capacity elsewhere. At the same time, we do need to continue to fund raise organically to finance the company until we can raise a more substantial amount of capital to take the company to profitability (hopefully a mix of equity and customer investment).

In the future I hope that we can come to agreement and a workable structure for investment by Gefinor in BlueSpace Software Corporation (Delaware). At that point you could either follow up with another letter reflecting Gefinor’s investment, or probably make a number of phone calls to make up the capacity we would need to complete the round.

On a separate issue, I spoke to Press again this evening. He is now trying to introduce BlueSpace to DISA, and encouraged me with my conversations with Pat Dowd. He had received the ‘blue book’ we sent, and indicated he was impressed and had begun reading it. Press is in the office this week, if you would like to try to connect with him.

Once again, let me express my heartfelt thanks at the positive impact you are having in BlueSpace, and your kind offer to proceed to an investment in the company.

Best regards,

Justin



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