

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

YP.NET, INC.
(Exact name of Registrant as specified in its charter)

NEVADA 85-0206668
(State or other jurisdiction (I.R.S. EMPLOYER)
incorporation or organization) Identification No.)

4840 EAST JASMINE STREET, SUITE 105
MESA, ARIZONA 85205
(Address of Principal Executive Offices) (Zip Code)

YP.NET, INC. 2003 STOCK PLAN
(Full title of the Plan)

Daniel M. Mahoney
SNELL & WILMER L.L.P.
One Arizona Center
Phoenix, AZ 85004-0001
(Name and Address of Agent for Service)
(602) 382-6384
(Telephone number, including area code, of agent for service)

<TABLE>
<CAPTION>

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)	AMOUNT OF REGISTRATION FEE
<S> Common Stock, ..001 Par Value (2003 Stock Plan)	<C> 3,000,000	<C> \$ 2.165	<C> \$ 6,495,000	<C> \$ 525.45

<FN>

(1) Estimated solely for the purpose of calculating the amount of the registration fee, pursuant to Rules 457(c) and 457(h) of the Securities Act of 1933, on the basis of the average of the high and low prices for shares of common stock on the Over-the-Counter bulletin Board on August

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INTRODUCTION

This Registration Statement on Form S-8 is filed by YP.NET, Inc., a Nevada corporation (the "Registrant"), relating to 3,000,000 shares of its common stock, par value \$.001 per share (the "Stock"), issuable to eligible employees of the Registrant under the YP.NET, Inc. 2003 Stock Plan (the "Plan").

PART I

INFORMATION REQUIRED IN THE SECTION 10(A) PROSPECTUS

Item 1. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.

The documents containing the information related to the Plan, which is being filed as an exhibit to this Registration Statement (the "Registration Statement") and documents incorporated by reference in response to Item 3 of Part II of this Registration Statement, which taken together constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act of 1933 (the "Securities Act") will be sent or given to the participant by the Registrant as specified by Rule 428(b)(1) of the Securities Act.

Item 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN INFORMATION.

As required by this Item, the Registrant shall provide to the participant a written statement advising them of the availability without charge, upon written or oral request, of documents incorporated by reference in Item 3 of Part II hereof and of documents required to be delivered pursuant to Rule 428(b) under the Securities Act. The statement shall include the address listing the title or department and telephone number to which the request is to be directed.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.

The following documents have been filed by the Registrant with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934 and are incorporated by reference into this Registration Statement:

1. Annual Report on Form 10-KSB for the fiscal year ended September 30, 2002 and filed with the SEC on January 14, 2003.
2. Amended Annual Report on Form 10-KSB/A for the fiscal year ended September 30, 2002 and filed with the SEC on April 10, 2003.
3. Amended Annual Report on Form 10-KSB/A for the fiscal year ended September 30, 2002 and filed with the SEC on July 8, 2003.
4. Quarterly Report on Form 10-QSB for the first fiscal quarter ended December 31, 2002 and filed with the SEC on February 13, 2003.
5. Amended Quarterly Report on Form 10-QSB/A for the first fiscal quarter ended December 31, 2002 and filed with the SEC on April 10, 2003.
6. Amended Quarterly Report on Form 10-QSB/A for the first fiscal quarter ended December 31, 2002 and filed with the SEC on July 8, 2003.
7. Quarterly Report on Form 10-QSB for the second fiscal quarter ended March 31, 2003 and filed with the SEC on May 15, 2003.
8. Quarterly Report on Form 10-QSB for the second fiscal quarter ended March 31, 2003 and filed with the SEC on July 8, 2003.
9. Current Reports on Form 8-K filed with the SEC on April 9, 2003 and May 30, 2003.
10. Description of Registrant's common stock, which is contained in the Registrant's Registration Statement on Form 10SB12G, File No. 000-24217, as filed with the SEC on May 6, 1998.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment to this registration statement which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a

statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

Item 4. DESCRIPTION OF SECURITIES. Not applicable.

Item 5. INTERESTS OF NAMED EXPERTS AND COUNSEL. Not applicable.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article 11 of the Registrant's By-laws provides that every person who was or is a party 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 that he or a person for whom he is the legal representative is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a partnership, joint venture, trust or other enterprise, shall be indemnified and held harmless to the fullest extent legally permissible under the General Corporation Law of the State of Nevada against all expenses, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonable incurred or suffered by him in connection therewith.

Item 7. EXEMPTION FROM REGISTRATION CLAIMED. Not applicable.

Item 8. EXHIBITS.

Exhibit Index located at Page 5.

Item 9 UNDERTAKINGS.

(a) The undersigned Registrant hereby undertakes:

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(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (i) and (ii) do not apply if the registration

statement is on Form S-3, Form S-8 or Form F-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in

periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such

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director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mesa, State of Arizona, on August 5, 2003.

YP.NET, INC.

By: /s/ Angelo Tullo

Angelo Tullo
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated. Each person whose signature appears below hereby authorizes Angelo Tullo and David J. Iannini, and each of them, as attorneys-in-fact, to sign in his or her name and behalf, individually and in each capacity designated below, and to file any amendments, including post-effective amendments, to this registration statement.

<TABLE>

<CAPTION>

Signature

Title

Date

<S>	<C>	<C>
/s/ Angelo Tullo	Chairman, President and Chief Executive Officer (Principal Executive Officer)	August 5, 2003

Angelo Tullo		
/s/ David J. Iannini	Chief Financial Officer (Principal Financial and Accounting Officer)	August 5, 2003

David J. Iannini		
/s/ DeVal Johnson	Secretary, Director	August 5, 2003

DeVal Johnson		
/s/ Gregory B. Crane	Director	August 5, 2003

Gregory B. Crane		
/s/ Daniel L. Coury, Sr.	Director	August 5, 2003

Daniel L. Coury, Sr.		
/s/ Peter Bergmann	Director	August 5, 2003

Peter Bergmann		

</TABLE>

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EXHIBIT INDEX

Exhibit No.	Description
-----	-----
4.1(a)	Certificate of Amendment to Articles of Incorporation
5.1	Opinion of Snell & Wilmer L.L.P.
23.1	Consent of Snell & Wilmer L.L.P. (included in Exhibit 5.1)
23.2	Consent of Epstein, Weber & Conover, P.L.C.
24.1	Power of Attorney (included on the signature page of this Registration Statement)
99.1	YP.NET, Inc. 2003 Stock Plan

In addition to those Exhibits shown above, the registrant hereby incorporates the following Exhibits pursuant to Rule 411 of Regulation C promulgated under the Securities Act of 1933 by reference to the filings set forth below:

<TABLE>				
<CAPTION>				
Exhibit No.	Description	Previously Filed as	File No.	Date Filed
-----	-----	-----	-----	-----
		Exhibit		

<S>	<C>	<C>	<C>	<C>
4.1(b)	Certificate of Restated Articles of Incorporation of Renaissance International, Inc.	3.1 to the Registrant's Registration Statement on Form 10SB12G	000-24217	5-6-98
4.1(c)	Amended Articles - To change the name to	3.2 to the Registrant's Annual Report on	000-24217	9-19-00

	YP.NET, Inc., and Authorized Capital Increase to 50,000,000	Form 10-KSB for the fiscal year ended September 30, 1999.		
4.1(d)	Amended Articles - Name Change to YP.NET	3.3 to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1999.	000- 24217	9-19-00
4.2(a)	By-laws of Renaissance International Group, Ltd.	3.II to the Registrant's Registration Statement on Form 10SB12G	000- 24217	5-6-98
4.2(b)	Amended By-laws	3.6 to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1999.	000- 24217	9-19-00

</TABLE>

[GRAPHIC OMITTED]
DEAN HELLER
Secretary of State

=====
Certificate of
AMENDMENT
(PURSUANT TO NRS 78.385 and
78.390)
=====

FILED # C6242-97
JAN 25 2002

202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708

IN THE OFFICE OF
DEAN HELLER, SECRETARY OF STATE

Important: Read Attached instructions before completing form.

Certificate of Amendment to Articles of Incorporation

For Nevada Profit Corporations

(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)
-Remit in Duplicate-

1. Name of corporation: YP.Net, Inc.

2. The articles have been amended as follows (provide article numbers, if available):

See "Exhibit A" Attached.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a minority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is: Approved .*

4. Officer Signature (Required):

Angela Tullo, president. /s/ Angela Tullo

*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, than the amendment must be approved by the vote, in addition to the affirmative voting power of each class or series affected by the amendment regardless of limitations or restrictions on the voting power thereof.

IMPORTANT: Failure to include any of the above information and remit the proper fees may cause this filing to be rejected.

EXHIBIT A

CERTIFICATE OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
YP.NET, INC.

YP.NET, INC. (the "Corporation") a corporation organized and existing under and by virtue of the General Corporation Law of the State of Nevada, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation, in lieu of meeting by consent, adopted the following resolution:

"RESOLVED that the Board of Directors hereby declares it advisable and in the best interest of the Corporation that Article THREE of the Articles of Amendment of Incorporation be amended to read as follows:

Capital Stock. The Corporation is authorized to issue two classes of

stock. One class of stock shall be Common Stock, par value \$0.001. The second class of stock shall be Preferred Stock, par value \$0.001. The Preferred Stock, or any series thereof, shall have such designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as shall be expressed in the resolution or resolutions providing for the issue of such stock adopted by the board of directors and may be made dependant upon facts ascertainable outside such resolution or resolutions of the board of directors, provided that the matter in which such facts shall operate upon such designations, preferences, rights and qualifications; limitations or restrictions of such class or series of stock is clearly and expressly set forth in the resolution or resolutions providing for the issuance of such stock by the board of directors.

The total number of shares of stock of each class which the Corporation shall have authority to issue and the par value of each share of each class of stock are as follows:

Class	Par Value	Authorized Shares
-----	-----	-----
Common	\$0.001	100,000,000
Preferred	\$0.001	140,000,000

Totals:		240,000,000

RESOLVED, that the appropriate corporate officers be, and each of them with full authority to act without the others hereby is, authorized and directed for and on behalf of the Corporation to take or cause to be taken any and all actions, to execute and deliver any and all certificates, instructions, requests, or other instrument, and to do any and all things which, in ay such officer's judgment, may be necessary or desirable to effect each of the foregoing resolutions and to carry out the purposes thereof, the taking of any such actions, the execution and delivery of any

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such certificates, instructions, requests, or instruments, or the doing of any such thing to the conclusive evidence of their necessity or desirability."

SECOND: That the Board of Directors of the Corporation, in lieu of meeting by consent, adopted the following resolution:

"RESOLVED that the Board of Directors hereby declares it advisable and in the best interest of the Corporation that the following Article ELEVEN be added to the Articles of Incorporation to read as follows:

Designation of Series C and D Preferred Stock.

The Corporation shall have the right to issue up to 45,000,000 shares of series C convertible preferred stock (the "Series C Convertible Preferred Stock") and 45,000,000 shares of series D preferred stock (the "Series D Preferred Stock"). The shares of Series C Convertible Preferred Stock and Series D Preferred Stock shall be issued as full shares and shall have a \$.001 par value.

B. Dividends

(a) The holders of outstanding shares of Series C Convertible Preferred Stock and Series D Preferred Stock shall be equally entitled to receive preferential dividends in cash out of any funds of the Corporation legally available at the time for declaration of dividends, at the dividend rates applicable to each such series, as set forth herein, before any dividend will be paid or declared and set apart for payment on any shares of any Common Stock, or other class of stock presently authorized or to be authorized (the Common Stock, and such other stock being hereinafter collectively the "Junior Stock") as follows: 1) Series C Convertible Preferred Stock shall receive dividends at the rate of 5% per annum on the liquidation preference per share, payable each March 31, June 30, September 30, and December 31, commencing with the first such date following the issuance of such stock; and 2) 1) Series D Preferred Stock shall receive a rate of 7% per annum on the liquidation preference per share, payable each March 31, June 30, September 30, and December 31, commencing with the first such date following the issuance of such stock. Dividends shall accumulate from the date of issuance, until the first payment date, at which time all accumulated dividends and dividends from the date of issuance shall be paid if funds are legally available from legally available funds.

(b) The dividends on the Series C Convertible Preferred Stock and Series D Preferred Stock at the rates provided above shall be cumulative whether or not earned so that, if at anytime full cumulative dividends at the rate of aforesaid on all shares of Series C Convertible Preferred Stock and Series D Preferred Stock then outstanding from the date from and after which dividends thereon are cumulative to the end of the quarterly dividend period next preceding such time shall not have been paid or declared and set apart for payment, or if the full dividend on all such outstanding Series C Convertible Preferred Stock and Series D Preferred Stock for then current dividend period shall be paid or declared and set apart for payment (but without interest thereon) before any sum shall be set apart for an applied by the Corporation or a subsidiary of the Corporation to the purchase, redemption or other acquisition of the Series C Convertible Preferred Stock or Series D Preferred Stock ("Parity Stock") and before any dividend or other distribution shall be paid or declared and set apart for payment on any Junior Stock and before any sum shall be paid or declared and set apart for payment on any Junior Stock and before any sum shall be set aside for or applied to the purchase, redemption or other acquisition of Junior Stock.

(c) Dividends in all shares of the Series C Convertible Preferred Stock and Series D Preferred Stock shall begin to accrue and by cumulative from and after the date of issuance thereof. A dividend period shall be deemed to commence on the day following a quarterly dividend date herein specified and to end on the next succeeding quarterly

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dividend payment date herein specified.

C. Liquidation Rights.

Upon the sale of substantially all of the stock or assets of the Corporation in a non-public transaction or dissolution, liquidation, or winding up of the Corporation, whether voluntary or involuntary, the holders of Series C Convertible Preferred Stock and Series D Preferred Stock shall be entitled to receive out of the assets of the Corporation, before and distribution or payment is made upon the Common Stock or any other series of Preferred Stock, an amount in cash equal to \$.30 per share and \$.50 per share, respectively, plus any accrued by unpaid dividends (or, if there be an insufficient amount to pay all Series C Convertible Preferred Stock and Series D Preferred Stock, then ratably among such holders).

D. Voting Rights.

The holders of shares of Series C Convertible Preferred Stock and Series D Preferred Stock shall have no voting rights, except as required by law.

E. Conversion of Series C Convertible Preferred Stock

(a) Holder's Right to Convert.

(i) Conversion. The record Holder of the Series C Convertible Preferred Stock shall be entitled, after two years from the initial issuance of the Series C Convertible Preferred Stock and from time to time thereafter until five years from the initial issuance, at which time such entitlement shall expire, at the office of the Company or any transfer agent for the Series C Convertible Preferred Stock, to convert all or portions of the Series C Convertible Preferred Stock held by such Holder, on a one for one basis into shares of the Common Stock, together with payment by the holder of \$1.00 per converted share.

(ii) Mechanics of Conversion. In order to convert Series C Convertible Preferred Stock into full shares of Common Stock, the Holder shall (i) transmit a facsimile copy of the fully executed notice of conversion in the form attached hereto ("Notice of Conversion") to the Company, which notice shall specify the number of shares of Series C Convertible Preferred Stock to be converted, prior to midnight, New York City time (the "Conversion Notice Deadline"), on the date of conversion specified on the Notice of Conversion, and (ii) promptly surrender the original certificate or certificates thereof, duly endorsed, and deliver the original Notice of Conversion by either overnight courier or 2-day courier, to the office of the Company or any transfer agent for the Series C Convertible Preferred Stock, together with payment by certified or bank check for \$1.00 per converted share; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon conversion unless either the certificates evidencing such Series C Convertible Preferred Stock are delivered to the Company or its transfer agent as provided above or the Holder notifies the Company or transfer agent that such certificates have been lost, stolen or destroyed. Upon receipt by the Company of evidence of loss, theft, destruction or mutilation of the certificate of certificates ("Stock Certificates") representing shares of Series C Convertible Preferred Stock and (in the case of loss, theft or destruction) of indemnity or security reasonably satisfactorily to the Company, and upon surrender and cancellation of the Stock Certificate(s), if mutilated, the Company shall execute and deliver new Stock Certificate(s) of like tenor and date. No fractional shares of Common Stock shall be issued upon conversion of the Series C Convertible Preferred Stock. In lieu of any fractional share to which the Holder would otherwise be entitled, the Company shall pay cash to such Holder in an amount equal to such fraction multiplied by the value of the Common Stock as determined in good faith by the Company's Board of Directors. In the case of a dispute as to the calculation of the Conversion Price, the Company's calculation shall be deemed conclusive absent manifest error.

The Company shall issue and deliver at the address of the Holder on the books of the Company (i) a certificate or certificates for the number of shares of Common Stock equal to the Conversion Number for the shares of Series C Convertible Preferred Stock being so converted and (ii) a certificate representing the balance of shares of Series C Convertible Preferred Stock not so converted, if any. The date on which conversion occurs (the "Date of Conversion") shall be deemed to be the date set forth in such Notice of Conversion, provided that the copy of the Notice of Conversion is faxed to the Company before midnight, New York City time, on the Date of Conversion. Upon a conversion of shares of Series C Convertible Preferred Stock, the Holder

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shall promptly deliver original Stock Certificates representing the shares of Series C Convertible Preferred Stock to be converted to the transfer agent or the Company. The person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(b) Adjustment to Conversion: (i) If, prior to the conversion of all Series C Convertible Preferred Stock, there shall be any merger, consolidation, exchange shares, recapitalization reorganization or other similar event, as a result of which shares of Common Stock of the Company shall be changed into the same or a different number of shares of the same or another class or classes of stock or securities of the Company or another entity, then the Holders of Series C Convertible Preferred Stock shall thereafter have the right to purchase and receive upon conversion of Series C Convertible Preferred Stock, upon the basis

and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such share of stock and/or securities as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore purchasable and receivable upon the conversion of Series C Convertible Preferred Stock held by such Holders had such merger, consolidation, exchange of shares, recapitalization or reorganization not taken place, and in any such case, appropriate provisions shall be made with respect to the rights and interests of the Holders of the Series C Convertible Preferred Stock to the end that the provisions hereof (including, without limitation, provisions for adjustment of the number of shares issuable upon conversion of the Series C Convertible Preferred Stock otherwise set forth in this Section E.) shall thereafter be applicable, as nearly as may be practicable, in relation to any shares of stock or securities thereafter deliverable upon the exercise hereof. The Company shall not effect any transaction described herein unless the resulting successor or acquiring entity (if not the Company) assumes by written instrument the obligation to deliver to the Holders of the Series C Convertible Preferred Stock such shares of stock and/or securities as, in accordance with the foregoing provisions, the Holders of the Series C Convertible Preferred Stock may be entitled to purchase.

(ii) If, any adjustment under this section would create a fractional share of Common Stock or a right to acquire a fractional share of Common Stock, such fractional share shall be disregarded, and the number of shares of Common Stock issuable upon conversion shall be the next higher number of shares.

THIRD: That the aforesaid amendment has been consented to and authorized by the holders of a majority of the issued and outstanding stock entitled to vote by written consent given in accordance with the provisions of Section 78.320 of the General Corporation Law of the State of Nevada.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed this 20th day of November 2001.

By: Angelo Tullo

Name: Angelo Tullo
Title: Chief Executive Officer

August 5, 2003

VIA EDGAR
- - - - -

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: YP.NET, Inc. 2003 Stock Plan

Ladies and Gentlemen:

We have acted as counsel to YP.NET, Inc., a Nevada corporation (the "Company"), in connection with its Registration Statement on Form S-8 (the "Registration Statement") filed under the Securities Act of 1933, relating to the registration of 3,000,000 shares of its Common Stock, par value \$.001 per share (the "Shares"), issuable pursuant to the Company's 2003 Stock Plan (the "Plan").

In that connection, we have examined such documents, corporate records, and other instruments as we have deemed necessary or appropriate for purposes of this opinion, including the Certificate of Incorporation and Bylaws of the Company.

Based upon the foregoing, it is our opinion that the Shares, if and when issued in accordance with the terms of the Plan, will be validly issued, fully paid, and nonassessable.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the use of our name wherever it appears in the Registration Statement.

Very truly yours,

/s/ Snell & Wilmer L.L.P.

CONSENT OF EPSTEIN, WEBER & CONOVER P.L.C.
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report, dated December 2, 2002, which appears in the Annual Report on Form 10-KSB/A of YP.NET, Inc. and subsidiaries for each of the two years ended September 30, 2002.

Epstein, Weber & Conover P.L.C.

Scottsdale, Arizona
August 4, 2003

YP.NET, INC.
2003 STOCK PLAN

ARTICLE 1
PURPOSE

1.1 GENERAL. The purpose of the YP.Net, Inc. 2003 Stock Plan (the

"Plan") is to promote the success, and enhance the value, of YP.Net, Inc. (the
"Company") by linking the personal interests of its employees and non-employee
services providers to those of Company stockholders. The Plan is further
intended to provide flexibility to the Company in its ability to motivate,
attract, and retain the services of its employees and non-employee services
providers upon whose judgment, interest, and special effort the successful
conduct of the Company's operation is largely dependent.

ARTICLE 2
EFFECTIVE DATE

2.1 EFFECTIVE DATE. The Plan is effective as of the date the Plan is

approved by the Company's Stockholders (the "Effective Date").

ARTICLE 3
DEFINITIONS AND CONSTRUCTION

3.1 DEFINITIONS. When a word or phrase appears in this Plan with the

initial letter capitalized, and the word or phrase does not commence a sentence,
the word or phrase shall generally be given the meaning ascribed to it in this
Section or in Sections 1.1 or 2.1 unless a clearly different meaning is required
by the context. The following words and phrases shall have the following
meanings:

(a) "Award" means any Restricted Stock Award, Performance Share Award
or Performance-Based Award granted to a Participant under the Plan.

(b) "Award Agreement" means any written agreement, contract, or other
instrument or document evidencing an Award.

(c) "Board" means the Board of Directors of the Company.

(d) "Cause" means termination of employment or service as a result of
any of the following events: (1) the commission of an act of dishonesty,
fraud, embezzlement, theft or other similar acts of misconduct by the
Participant, whether within or outside the scope of the Participant's
employment or service with the Company, (ii) the breach of duty by the
Participant in the course of employment or service, unless waived in
writing by the Company, (iii) the neglect by the Participant of the
Participant's duties with the Company, unless waived in writing by the
Company, (iv) the Participant's disobedience or refusal or failure to
discharge the Participant's duties to the Company under any employment
agreement or otherwise, (v) the breach of obligations of the Participant to
the Company under this Agreement or any employment or other agreement with
the Company, unless waived in writing by the Company, (vi) the breach by
the Participant of

any fiduciary duty to the Company involving personal gain or profit,
including acceptance of gifts, gratuities, honorarium, lodging, and other
items of direct economic value in excess of One Hundred Dollars (\$100.00)
from any one source, provided that this section does not apply to gifts or
items received from family members or other non-business or professional
persons, (vii) the violation by the Participant of any law, rule,
regulation, court order (other than a law, rule, or regulation relating to
a traffic violation or similar offense) or a final cease and desist order,
or (viii) the Participant economically committing the Company beyond the
Participant's expressly approved authority as communicated to the
Participant by the Company from time to time.

(e) "Change of Control" means any of the following:

(1) any merger of the Company in which the Company is not the continuing or surviving entity, or pursuant to which Stock would be converted into cash, securities, or other property other than a merger of the Company in which the holders of the Company's Stock immediately prior to the merger have the same proportionate ownership of beneficial interest of common stock or other voting securities of the surviving entity immediately after the merger;

(2) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of assets or earning power aggregating more than 50% of the assets or earning power of the Company or any major subsidiary, other than pursuant to a sale-leaseback, structured finance or other form of financing transaction;

(3) the shareholders of the Company approve any plan or proposal for liquidation or dissolution of the Company; or

(4) any person (as such term is used in Section 13(d) and 14(d)(2) of the Exchange Act), other than (A) any current shareholder of the Company or affiliate thereof, or (B) an employee benefit plan of the Company or any Subsidiary or any entity holding shares of capital stock of the Company for or pursuant to the terms of any such employee benefit plan in its role as an agent or trustee for such plan, or (C) any affiliate of the Company as of the Effective Date becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of 50% or more of the Company's outstanding Stock.

(f) "Code" means the Internal Revenue Code of 1986, as amended.

(g) "Committee" means the committee of the Board described in Article 4.

(h) "Covered Employee" means an Employee who is, or could be, a "covered employee" within the meaning of Section 162(m) of the Code.

(i) "Disability" shall mean any illness or other physical or mental condition of a Participant which renders the Participant incapable of performing his customary and usual duties for the Company, or any medically determinable illness or other physical or mental condition resulting from a bodily injury, disease or mental disorder which in the judgment of the Committee is permanent and continuous in nature. The Committee may

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require such medical or other evidence as it deems necessary to judge the nature and permanency of the Participant's condition.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(k) "Fair Market Value" means, as of any given date, the fair market value of Stock determined as follows:

(1) Where there exists a public market for the Stock, the Fair Market Value shall be (A) the closing price for the Stock for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by the Committee to be the primary market for the Stock or the Nasdaq National Market, whichever is applicable, or (B) if the Stock is not traded on any such exchange or national market system, the average of the closing bid and asked prices of the Stock on the Nasdaq Small Cap Market for the day prior to the time of the determination (or, if no such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(2) In the absence of an established market for the Stock of the type described in (1), above, the Fair Market Value thereof shall be determined by the Committee in good faith.

(l) "Participant" means a person or entity who, as an employee or non-employee services provider of the Company or any Subsidiary, has been granted an Award under the Plan.

(m) "Performance-Based Awards" means the Restricted Stock or Performance Share Awards granted to selected Covered Employees pursuant to Articles 7 and 8, but which are subject to the terms and conditions set forth in Article 9. All Performance-Based Awards are intended to qualify as "performance-based compensation" pursuant to Section 162(m) of the Code.

(n) "Performance Criteria" means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Performance Period. The Performance Criteria that will be used to establish Performance Goals are limited to the following: number of customers, pre- or after-tax net earnings, sales or revenue, operating earnings, operating cash flow, return on net assets, return on stockholders' equity, return on assets, return on capital, stockholder returns, gross or net profit margin, earnings per share, price per share of Stock, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Committee shall, within the time prescribed by Section 162(m) of the Code, define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period for such Participant.

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(o) "Performance Goals" means, for a Performance Period, the goals established in writing by the Committee for the Performance Period based upon the Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. The Committee, in its discretion, may, within the time prescribed by Section 162(m) of the Code, adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event, or development, or (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions.

(p) "Performance Period" means the one or more periods of time, which may be of varying and overlapping durations, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance-Based Award.

(q) "Performance Share" means a right granted to a Participant pursuant to Article 8, to receive cash, Stock, or other Awards, the payment of which is contingent upon achieving certain performance goals established by the Committee.

(r) "Plan" means the YP.Net, Inc. 2003 Stock Plan.

(s) "Restricted Stock" means Stock granted to a Participant under Article 7 that is subject to certain restrictions and to risk of forfeiture.

(t) "Stock" means the common stock of the Company and such other securities of the Company that may be substituted for Stock pursuant to Article 11.

(u) "Subsidiary" means any corporation or other entity of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company.

ARTICLE 4 ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by a Committee appointed

by, and which serves at the discretion of, the Board. If the Board does not appoint a Committee to administer the Plan, the Plan shall be administered by the Board and all references herein to the Committee shall refer to the Board.

4.2 ACTION BY THE COMMITTEE. A majority of the Committee shall

constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present and acts approved in writing by a majority of the Committee in lieu of a meeting shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other

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employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

4.3 AUTHORITY OF COMMITTEE. The Committee has the exclusive power,

authority and discretion to:

- (a) Designate Participants to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Participant;
- (c) Determine the number of Awards to be granted and the number of shares of Stock to which an Award will relate;
- (d) Determine the terms and conditions of any Award granted under the Plan including but not limited to the purchase price, if any, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) Amend, modify, or terminate any outstanding Award, with the Participant's consent unless the Committee has the authority to amend, modify, or terminate an Award without the Participant's consent under any other provision of the Plan;
- (f) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the purchase price of an Award, if any, may be paid in, cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (g) Prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (h) Decide all other matters that must be determined in connection with an Award;
- (i) Interpret the terms of the Plan or any Award Agreement;
- (j) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan; and
- (k) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan.

4.4 DECISIONS BINDING. The Committee's interpretation of the Plan, any

Awards granted under the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

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5.1 NUMBER OF SHARES. Subject to adjustment provided in Section 11.1,

the aggregate number of shares of Stock reserved and available for grant under the Plan shall be 3,000,000.

5.2 LAPSED AWARDS. To the extent that an Award terminates, expires, or

lapses for any reason, any shares of Stock subject to the Award will again be available for the grant of an Award under the Plan.

5.3 STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may

consist, in whole or in part, of authorized and unissued Stock, treasury Stock, or Stock purchased on the open market.

ARTICLE 6
ELIGIBILITY AND PARTICIPATION

6.1 ELIGIBILITY.

(a) GENERAL. Persons eligible to participate in this Plan include

employees and non-employee service providers of the Company or a Subsidiary, as determined by the Committee.

(b) FOREIGN PARTICIPANTS. In order to assure the viability of Awards

granted to Participants employed or providing services in foreign countries, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; provided, however, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 5.1 of the Plan.

6.2 ACTUAL PARTICIPATION. Subject to the provisions of the Plan, the

Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award under this Plan.

ARTICLE 7
RESTRICTED STOCK

7.1 GRANT OF RESTRICTED STOCK. The Committee is authorized to make

Awards of Restricted Stock to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. All Awards of Restricted Stock shall be evidenced by a Restricted Stock Award Agreement.

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7.2 ISSUANCE AND RESTRICTIONS. Restricted Stock shall be subject to

such restrictions on transferability, repurchase, and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

7.3 FORFEITURE. Except as otherwise determined by the Committee at the

time of the grant of the Award or thereafter, upon termination of employment or services during the applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited, provided, however, that the Committee may provide in any Restricted Stock Award Agreement that

restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

7.4 CERTIFICATES FOR RESTRICTED STOCK. Restricted Stock granted under

the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing shares of Restricted Stock are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

ARTICLE 8
PERFORMANCE SHARES

8.1 GRANT OF PERFORMANCE SHARES. The Committee is authorized to grant

Performance Shares to Participants on such terms and conditions as may be selected by the Committee. The Committee shall have the complete discretion to determine the number of Performance Shares granted to each Participant. All Awards of Performance Shares shall be evidenced by an Award Agreement.

8.2 RIGHT TO PAYMENT. A grant of Performance Shares gives the

Participant rights, valued as determined by the Committee, and payable to, or exercisable by, the Participant to whom the Performance Shares are granted, in whole or in part, as the Committee shall establish at grant or thereafter. Subject to the terms of the Plan, the Committee shall set performance goals and other terms or conditions to payment of the Performance Shares in its discretion which, depending on the extent to which they are met, will determine the number and value of Performance Shares that will be paid to the Participant.

8.3 OTHER TERMS. Performance Shares may be payable in cash, Stock, or

other property, and have such other terms and conditions as determined by the Committee and reflected in a written Performance Share Award Agreement. Unless otherwise provided in an Award Agreement, Performance Shares will lapse immediately if a Participant's employment or service is terminated for Cause.

ARTICLE 9
PERFORMANCE-BASED AWARDS

9.1 PURPOSE. The purpose of this Article 9 is to provide the Committee

the ability to qualify the Restricted Stock Awards pursuant to Article 7 and the Performance Share Awards pursuant to Article 8 as "performance-based compensation" pursuant to Section 162(m) of the Code. If the Committee, in its discretion, decides to grant a Performance-Based Award to a Covered Employee, the provisions of this Article 9 shall control over any contrary provision contained in Articles 7 or 8.

9.2 APPLICABILITY. This Article 9 shall apply only to those Covered

Employees selected by the Committee to receive Performance-Based Awards. The Committee may, in its discretion, grant Restricted Stock Awards or Performance Share Awards to Covered Employees that do not satisfy the requirements of this Article 9. The designation of a Covered Employee as a Participant for a Performance Period shall not in any manner entitle the Participant to receive an Award for the period. Moreover, designation of a Covered Employee as a Participant for a particular Performance Period shall not require designation of such Covered Employee as a Participant in any subsequent Performance Period and designation of one Covered Employee as a Participant shall not require designation of any other Covered Employees as a Participant in such period or in any other period.

9.3 DISCRETION OF COMMITTEE WITH RESPECT TO PERFORMANCE AWARDS. With

regard to a particular Performance Period, the Committee shall have full discretion to select the length of such Performance Period, the type of

Performance-Based Awards to be issued, the kind and/or level of the Performance Goal, and whether the Performance Goal is to apply to the Company, a Subsidiary or any division or business unit thereof. Unless otherwise provided in an Award Agreement, Performance-Based Awards will be forfeited if a Participant's employment is terminated for Cause.

9.4 PAYMENT OR GRANT OF PERFORMANCE AWARDS. Unless otherwise provided

in the relevant Award Agreement, a Participant must be employed by the Company or a Subsidiary on the day a Performance Award for such Performance Period is paid or granted to the Participant. Furthermore, a Participant shall be eligible to receive payment pursuant to a Performance-Based Award for a Performance Period only if the Performance Goals for such period are achieved. In determining the actual size of an individual Performance-Based Award, the Committee may reduce or eliminate the amount of the Performance-Based Award earned for the Performance Period, if in its sole and absolute discretion, such reduction or elimination is appropriate.

9.5 MAXIMUM AWARD PAYABLE OR GRANTED. The maximum Performance-Based

Award payable or granted to any one Participant pursuant to the Plan for a Performance Period is 1,000,000 shares of Stock, or in the event the Performance-Based Award is paid in cash, such maximum Performance-Based Award shall be determined by multiplying 1,000,000 by the Fair Market Value of one share of Stock as of the date of grant of the Performance-Based Award.

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ARTICLE 10
PROVISIONS APPLICABLE TO AWARDS

10.1 STAND-ALONE AND TANDEM AWARDS. Awards granted under the Plan may,

in the discretion of the Committee, be granted either alone or in addition to or in tandem with any other Award granted under the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

10.2 EXCHANGE PROVISIONS. The Committee may at any time offer to

exchange or buy out any previously granted Award for a payment in cash, Stock, or another Award (subject to Section 10.1), based on the terms and conditions the Committee determines and communicates to the Participant at the time the offer is made.

10.3 TERM OF AWARD. The term of each Award shall be for the period as

determined by the Committee.

10.4 FORM OF PAYMENT FOR AWARDS. Subject to the terms of the Plan and

any applicable law or Award Agreement, payments or transfers to be made by the Company or a Subsidiary for the payment of an Award, if any, may be made in such forms as the Committee determines at or after the time of grant, including without limitation, cash, promissory note, Stock, other Awards, or other property, or any combination, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case determined in accordance with rules adopted by, and at the discretion of, the Committee.

10.5 LIMITS ON TRANSFER. No right or interest of a Participant in any

Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee or as otherwise provided in this Plan or in the applicable Award Agreement, no Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution.

10.6 BENEFICIARIES. Notwithstanding Section 10.5, a Participant may, in

the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any

Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married, a designation of a person other than the Participant's spouse as his beneficiary with respect to more than 50 percent of the Participant's interest in the Award shall not be effective without the written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto under the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

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10.7 STOCK CERTIFICATES. All Stock certificates delivered under the

Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with Federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate to reference restrictions applicable to the Stock.

10.8 CHANGE OF CONTROL. Unless otherwise provided in an Award Agreement,

if a Change of Control occurs, the Board shall have the discretion to remove all restrictions on, or accelerate the vesting of, outstanding Awards. Upon, or in anticipation of, such an event, the Committee may cause every Award outstanding hereunder to terminate at a specific time in the future and, if applicable, shall give each Participant the right to exercise Awards during a period of time as the Committee, in its sole and absolute discretion, shall determine.

ARTICLE 11 CHANGES IN CAPITAL STRUCTURE

11.1 GENERAL. In the event a stock dividend is declared upon the

Stock, the shares of Stock then subject to each Award (and the number of shares subject thereto) shall be increased proportionately without any change in the aggregate purchase price therefor. In the event the Stock shall be changed into or exchanged for a different number or class of shares of Stock or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation, the Committee has the authority to substitute for each such share of Stock then subject to each Award the number and class of shares of Stock into which each outstanding share of Stock shall be so exchanged, all without any change in the aggregate purchase price for the shares then subject to each Award.

ARTICLE 12 AMENDMENT, MODIFICATION AND TERMINATION

12.1 AMENDMENT, MODIFICATION AND TERMINATION. With the approval of the

Board, at any time and from time to time, the Committee may terminate, amend, or modify the Plan; provided, however, that to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required.

12.2 AWARDS PREVIOUSLY GRANTED. Except as otherwise provided in the

Plan, including without limitation, the provisions of Article 10, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant.

ARTICLE 13 GENERAL PROVISIONS

13.1 NO RIGHTS TO AWARDS. No Participant, employee, non-employee

service provider, or other person shall have any claim to be granted any Award under the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, non-employee service providers, and other persons uniformly.

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13.2 NO STOCKHOLDER RIGHTS. No Award gives the Participant any of the

rights of a stockholder of the Company unless and until shares of Stock are in fact issued to such person in connection with such Award.

13.3 WITHHOLDING. The Company or any Subsidiary shall have the

authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any taxable event arising as a result of this Plan.

13.4 NO RIGHT TO EMPLOYMENT OR SERVICES. Nothing in the Plan or any

Award Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ of, or to provide services to, the Company or any Subsidiary.

13.5 UNFUNDED STATUS OF AWARDS. The Plan is intended to be an

"unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 INDEMNIFICATION. To the extent allowable under applicable law,

each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act under the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. 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 Articles of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be

taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary.

13.8 EXPENSES. The expenses of administering the Plan shall be borne by

the Company and its Subsidiaries.

13.9 TITLES AND HEADINGS. The titles and headings of the Sections in

the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 FRACTIONAL SHARES. No fractional shares of stock shall be issued

and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional

shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

13.11 SECURITIES LAW COMPLIANCE. With respect to any person who is, on

the relevant date, obligated to file reports under Section 16 of the Exchange Act, transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors under the Exchange Act. To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be void to the extent permitted by law and voidable as deemed advisable by the Committee.

13.12 GOVERNMENT AND OTHER REGULATIONS. The obligation of the Company

to make payment of awards in Stock or otherwise shall be subject to all applicable laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register under the Securities Act of 1933, as amended (the "1933 Act"), any of the shares of Stock paid under the Plan. If the shares paid under the Plan may in certain circumstances be exempt from registration under the 1933 Act, the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 GOVERNING LAW. The Plan and all Award Agreements shall be

construed in accordance with and governed by the laws of the State of Arizona.