

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☒ the final return/report; ☒ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>CAPROCK COMMUNICATIONS, INC. 401(K) PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/2002</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/01/2002</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/01/2002</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>CAPROCK COMMUNICATIONS INC.</u> <u>4400 S SAM HOUSTON PARKWAY E</u> <u>HOUSTON, TX 77048</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>76-0043882</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>888-428-0289</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>517000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>76-0043882</u>	2c Sponsor's telephone number <u>888-428-0289</u>	2d Business code (see instructions) <u>517000</u>	
2b Employer Identification Number (EIN) <u>76-0043882</u>					
2c Sponsor's telephone number <u>888-428-0289</u>					
2d Business code (see instructions) <u>517000</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	12/22/2011	LISA M. MORLEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/22/2011	LISA M. MORLEY
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") CAPROCK COMMUNICATIONS INC. 4400 S SAM HOUSTON PARKWAY E HOUSTON, TX 77048	3b Administrator's EIN 76-0043882 3c Administrator's telephone number 888-428-0289
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	536
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☒ Insurance	(1) ☒ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☒ ¹ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☐ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

<div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan CAPROCK COMMUNICATIONS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500. CAPROCK COMMUNICATIONS INC.	D Employer Identification Number (EIN) 76-0043882	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier NEW YORK LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
13-5582869	66915	GA28013	0	01/01/2010	12/31/2010

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 0**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee(3) ☒ guaranteed investment (4) ☐ other ▶**b** Balance at the end of the previous year **7b** 1989862**c** Additions: (1) Contributions deposited during the year **7c(1)** 633549(2) Dividends and credits **7c(2)** 0(3) Interest credited during the year **7c(3)** 74823(4) Transferred from separate account **7c(4)** 0(5) Other (specify below) **7c(5)** 25994

▶ MARKET VALUE ADJUSTMENT CREDIT

(6) Total additions **7c(6)** 734366**d** Total of balance and additions (add **b** and **c(6)**). **7d** 2724228**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 496424(2) Administration charge made by carrier **7e(2)** 15186(3) Transferred to separate account **7e(3)** 0(4) Other (specify below) **7e(4)** 2212618

▶ YEAR END PAYOUT

(5) Total deductions **7e(5)** 2724228**f** Balance at the end of the current year (subtract **e(5)** from **d**) **7f** 0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan CAPROCK COMMUNICATIONS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 CAPROCK COMMUNICATIONS INC.	D Employer Identification Number (EIN) 76-0043882	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

NEW YORK LIFE INVESTMENT MANAGEMENT

52-2206685

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 62 64	RETAINED BY EMPLOYER	37500	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

AXA ADVISORS, LLC

13-4071393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	RETAINED BY EMPLOYER	0	Yes ☒ No ☐	Yes ☐ No ☒	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AXA ADVISORS, LLC	61	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
NYLIFE DISTRIBUTORS LLC 169 LACKAWANNA AVENUE PARSIPPANY, NJ 07054 56-2412827	100 BASIS POINTS FINDERS FEES

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
AXA ADVISORS, LLC	55	0

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
NYLIFE DISTRIBUTORS LLC 169 LACKAWANNA AVENUE PARSIPPANY, NJ 07054 56-2412827	25 BASIS POINTS TRAILING COMMISSION

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
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a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>CAPROCK COMMUNICATIONS, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CAPROCK COMMUNICATIONS INC.</u>	D Employer Identification Number (EIN) <u>76-0043882</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	<u>288487</u>	<u>0</u>
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	<u>12962575</u>	<u>0</u>
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	<u>1989857</u>	<u>0</u>
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	15240919	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	15240919	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	731004	
(B) Participants	2a(1)(B)	1826107	
(C) Others (including rollovers)	2a(1)(C)	73412	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2630523

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	16586	
(F) Other	2b(1)(F)	85635	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		102221

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	152000	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		152000

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		2157305
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		5042049

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1468236	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1468236
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	37500	
(3) Investment advisory and management fees	2i(3)	202	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		37702
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1505938

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		3536111
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		18777030

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PKF OF TEXAS (2) EIN: 76-0356844

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☒ Yes ☐ No Amount: 0

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
HARRIS CORPORATION RETIREMENT PLAN	34-0276860	015

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>CAPROCK COMMUNICATIONS, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>CAPROCK COMMUNICATIONS INC.</u>	D Employer Identification Number (EIN) <u>76-0043882</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>13-3808042</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____	If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

CapRock Communications, Inc.
401(k) Plan

Financial Statements

December 31, 2010

CapRock Communications, Inc.
401(k) Plan

December 31, 2010

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Schedules not included herein are omitted because of the absence of the conditions under which they are required.

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of the
CapRock Communications, Inc. 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of CapRock Communications, Inc. 401(k) Plan (the "Plan") as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to information summarized in Note 6, which was certified by New York Life Trust Company and JP Morgan Chase Bank, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of and for the years ended December 31, 2010 and 2009 that the information provided to the Plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustees, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Pannell Kerr Forster of Texas, P.C.

December 20, 2011

CapRock Communications, Inc.
401(k) Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2010	2009
Assets		
Investments at fair value		
Mutual funds	\$ -	\$ 12,962,574
Guaranteed interest account	-	1,989,857
Total investments at fair value	-	14,952,431
Receivables		
Participant contributions receivable	-	69,136
Employer contributions receivable	-	68,935
Notes receivable from participants	-	302,174
Total receivables	-	440,245
Total assets	-	15,392,676
Liabilities		
Total liabilities	-	-
Net assets available for benefits	\$ -	\$ 15,392,676

See notes to financial statements.

CapRock Communications, Inc.
401(k) Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2010	2009
Additions to net assets		
Participant contributions	\$ 1,756,971	\$ 2,058,510
Employer contributions	662,069	795,425
Rollover contributions	<u>73,412</u>	<u>29,971</u>
Total contributions	<u>2,492,452</u>	<u>2,883,906</u>
Investment income		
Interest and dividends	237,635	143,701
Net appreciation in fair value of investments	<u>2,157,306</u>	<u>2,997,415</u>
Total investment income	<u>2,394,941</u>	<u>3,141,116</u>
Interest on notes receivable from participants	<u>16,585</u>	<u>18,835</u>
Total additions	<u>4,903,978</u>	<u>6,043,857</u>
Deductions from net assets		
Benefits paid to participants	1,481,923	536,079
Transfer to other qualifying plan	18,777,030	-
Administrative fees	<u>37,701</u>	<u>2,103</u>
Total deductions	<u>20,296,654</u>	<u>538,182</u>
Net increase (decrease) in net assets available for benefits	(15,392,676)	5,505,675
Net assets available for benefits, beginning of year	<u>15,392,676</u>	<u>9,887,001</u>
Net assets available for benefits, end of year	<u>\$ -</u>	<u>\$15,392,676</u>

See notes to financial statements.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 1 - Description of the Plan

The CapRock Communications, Inc. 401(k) Plan (the "Plan"), formed on July 1, 2002 and last amended on November 2, 2009, is a defined contribution plan pursuant to Sections 401(a) and 401(k) of the Internal Revenue Code ("IRC"). It covers all employees of CapRock Communications, Inc. (the "Company"), formerly IWL Communications dba CapRock Services Corporation, subject to certain restrictions for participation eligibility as defined in the Plan document. The following description provides only general information. Users of these financial statements should refer to the Plan document for more complete information.

General

The Plan covers all full-time and part-time employees, as defined, of the Company who have attained the age of 18 and completed two months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). JP Morgan Chase Bank ("JP Morgan") was the trustee of the Plan through November 1, 2009. Effective November 2, 2009, the Plan approved a change in trustee from JP Morgan to New York Life Trust Company ("New York Life" or the "Trustee").

Plan termination

The Company was acquired by Harris Corporation in 2010. As a result, beginning September 30, 2010, the Plan was frozen and all contributions beginning October 1, 2010 were deposited into the Harris Corporation 401(k) Plan. Net assets of \$18,777,030 were transferred into the Harris Corporation plan on December 31, 2010 and the Plan was terminated.

Contributions

Participant contributions consist of participant pre-tax elective deferrals and rollover contributions from other qualified benefit plans. Participants may elect to defer up to 75% of their eligible compensation, as dictated by the IRC.

For 2010 and 2009, the Company elected to match 50% of each participant's contribution up to a maximum of 8% of compensation contributed to the Plan. Effective November 2, 2009, the Plan provides for a year-end true-up matching contribution feature to allow participants to receive the maximum matching contribution available, by making up any loss in matching contributions resulting from the participant's individual savings strategies. The true-up matching contribution was approximately \$0 and \$42,000 for the years ended December 31, 2010 and 2009, respectively.

The Company may also make a discretionary profit sharing contribution in an amount to be determined at the plan year end as determined by the Company. There were no discretionary profit sharing contributions made for the years ended December 31, 2010 and 2009.

Participant accounts

Each participant's account is credited with the participant's contribution, the participant's rollover contribution, the Company's contribution and an allocation of Plan earnings, losses and fees. These allocations are based on the participant's eligible compensation and account balance, as defined in the Plan document.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 1 - Description of the Plan (Continued)

Participant accounts (continued)

Participants direct the investment of their account balances in any of several investment options. Participants can change their investment options among the various investment funds through direct transfers from one fund to another or by changing the percentage of future contributions allocated among the investment funds.

Vesting

Participants are immediately vested in their contributions and the actual earnings thereon. Vesting in the Company's contributions is determined by years of continuous service: 25% after one year of service; 50% after two years of service; 75% after three years of service; and 100% after four years of service. Also, a participant who retires after reaching normal retirement age, as defined, or because of disability, is 100% vested.

Notes receivable from participants

Participants may borrow from the Plan up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, with a minimum note amount of \$500. A participant may not have more than one note outstanding at any time. All notes are amortized over a period not to exceed five years, except that notes to purchase or construct a primary residence may be repaid over a longer period. The interest rate for a note is the prime rate, as published in *The Wall Street Journal* on the 14th of each month, plus 1%. Principal and interest are paid ratably through payroll deductions.

Benefit payments

Participants may withdraw all or part of their vested accounts, subject to limitations stated in the Plan document, upon termination of employment, death or withdrawals by active participants due to hardship, disability or retirement. If the value of the participant's account balance is less than \$1,000, the payment may be made in cash in a single lump-sum without the participant's consent. If the participant's account balance is between \$1,000 and \$5,000 and the participant does not affirmatively consent to receive a distribution, the balance will be rolled into an individual retirement account established on behalf of the participant.

Plan expenses

The Plan provides for administrative expenses to be paid either by the Company or the Plan.

Forfeitures

The Plan provides that nonvested portions of Company contributions forfeited by terminated participants are used to reduce the Company's matching contributions and pay administrative expenses. Forfeitures applied during 2010 and 2009 totaled \$77,126 and \$33,870, respectively. At December 31, 2010 and 2009, there were \$0 and \$20,620, respectively, of remaining forfeitures.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements are presented on the liquidation basis of accounting. Benefits are recorded when paid.

Recent accounting pronouncements

The Financial Accounting Standards Board ("FASB") issued new guidance in 2010 that requires participant loans to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The guidance is effective for fiscal years ending after December 15, 2010 and applies retrospectively.

The FASB issued new guidance in 2010 to clarify certain existing fair value disclosures and requires a number of additional disclosures. The reporting entity is required to disclose information about inputs and valuation techniques for fair value measurements that fall in either level 2 or level 3 and the disclosure of the amounts and reasons for any significant transfers between levels 1 and 2 fair value measurements. The guidance is effective for reporting periods beginning after December 15, 2009. The guidance also requires the disclosure of information regarding purchases, sales, issuances and settlements of level 3 assets and liabilities be presented on a gross basis. This guidance is effective for the fiscal year beginning after December 15, 2010.

Valuation of investments and income recognition

The Plan's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Unrealized appreciation or depreciation in the fair value of investments held at year-end is determined using the fair value at the beginning of the year or the purchase price if the investment is acquired during the year. The realized gain or loss on the sale of investments is determined using historical cost. Upon the sale of an investment, the current year unrealized appreciation or depreciation is adjusted for unrealized gains and losses recognized in prior years. Unrealized appreciation or depreciation along with realized gains and losses are reported as net appreciation or depreciation in fair value of investments in the statements of changes in net assets available for benefits.

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable from participants, if any, are reclassified as distributions based upon terms of the Plan document.

Financial instruments and credit risk

Financial instruments, which potentially subject the Plan to credit risk, include investments in mutual funds and a guaranteed interest account of a single management entity. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

Financial instruments and credit risk (continued)

possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits. Plan participants bear the risk of any Plan investment losses.

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The preparation of financial statements in conformity with liquidation basis of accounting requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on 2009 net assets or net increase in net assets available for benefits.

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U.S. generally accepted accounting principles ("GAAP") requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

Note 4 - Investments

The following table presents the fair values of investments that represented 5% or more of the Plan's net assets as of December 31:

	2010	2009
Mutual funds		
American EuroPacific Growth R3	\$ -	\$ 1,149,505
Columbia Acorn Select Fund A	-	1,340,866
Columbia Large-Cap Index Fund A	-	874,524
Columbia LifeGoal Growth A	-	886,531
Mainstay Funds Lifetime 2010 Fund R2	-	995,759
Mainstay Funds Lifetime 2040 Fund R2	-	776,365
Mainstay Large-Cap Growth R2	-	1,206,141
Perkins Mid-Cap Value Fund (S)	-	1,001,064
New York Life Guaranteed Interest Account*	-	1,989,857

CapRock Communications, Inc.
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Notes to Financial Statements

December 31, 2010

Note 4 - Investments (Continued)

- * Contract value for the New York Life Guaranteed Interest Account approximated fair value as of December 31, 2009.

During 2010 and 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	<u>2010</u>	<u>2009</u>
Common/collective trusts	\$ -	\$ 297,738
Guaranteed interest account	25,994	-
Mutual funds	<u>2,131,312</u>	<u>2,699,677</u>
Net appreciation in fair value of investments	<u>\$ 2,157,306</u>	<u>\$ 2,997,415</u>

Note 5 - Investment Contract with Insurance Company

Effective November 2, 2009, the Plan entered into a benefit-responsive investment contract with the Trustee. The Trustee maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract issuer is obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Contract value, as reported to the Plan by the Trustee, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct withdrawals or transfer all or a portion of their investment at contract value. The contract is included in the financial statements at contract value, which approximates fair value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The guaranteed interest account seeks to provide competitive yields and limited volatility, with a guarantee of principal and accumulated interest. A guaranteed interest crediting rate will be declared in advance and fixed for each six-month period. The crediting interest rate is based on a formula agreed upon with the issuer, but a guaranteed minimum interest rate will apply. The initial guaranteed rate will last through December 31 of the first contract year. The crediting rate in subsequent contract years will be reset on January 1 and July 1 and guaranteed for a six-month period.

The declared interest rate credited during a contract year shall not be less than the guaranteed rate for such contract year. The average yield and rate of credited interest was 2.90% and 3.35% (net of 0.75% of expenses) at December 31, 2010 and 2009, respectively.

The investment contract was transferred to the Harris Corporation plan at December 31, 2010.

Note 6 - Information Certified by the Trustees (Unaudited)

For Plan years 2010 and 2009, the financial information included in the Plan's financial statements except for contributions receivable, contributions, administrative expenses and distributions, has been derived from information certified as complete and accurate by New York Life and JP Morgan, in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 7 - Fair Value Measurements

The Plan uses a three-level hierarchy, in accordance with the fair value standard, that establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The hierarchy of fair value measurements is described below:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of these assets or liabilities; or
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- Mutual funds - these investments are valued daily at the net asset value of shares or units held by the Plan based on the quoted market prices of the underlying assets.
- Guaranteed interest account - this investment is currently invested in a broadly diversified fixed-income portfolio within New York Life's general account which is managed by New York Life's investment group. The investments in the guaranteed interest account are intended to provide a stable crediting rate consistent with preservation of principal. The New York Life general account is invested primarily in a conservative array of securities and cash-equivalent investments in accordance with the investment restrictions of New York insurance law. See Note 5.

Redemptions to accommodate a participant-directed exchange to another investment option may be made daily provided that the exchange is not directed to a competing fund. Transferred amounts must be held in a non-competing investment option 90 days before subsequent transfers to a competing fund can occur. This investment has no unfunded commitments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the valuation methods are considered appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 7 - Fair Value Measurements (Continued)

The Plan's investments measured at fair value are as follows as of December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bond funds	\$ 637,181	\$ -	\$ -	\$ 637,181
Income funds	423,436	-	-	423,436
International funds	2,218,922	-	-	2,218,922
Large blend funds	1,894,433	-	-	1,894,433
Large growth fund	1,206,141	-	-	1,206,141
Large value fund	605,427	-	-	605,427
Mid-cap growth fund	1,340,866	-	-	1,340,866
Mid-cap value fund	1,001,064	-	-	1,001,064
Small growth funds	834,759	-	-	834,759
Small value fund	11,654	-	-	11,654
Retirement income fund	42,108	-	-	42,108
Target date funds	2,746,583	-	-	2,746,583
Guaranteed interest account	<u>-</u>	<u>1,989,857</u>	<u>-</u>	<u>1,989,857</u>
Total investments	<u>\$ 12,962,574</u>	<u>\$ 1,989,857</u>	<u>\$ -</u>	<u>\$ 14,952,431</u>

Note 8 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ -	\$15,392,676
Participant contributions receivable	-	(69,136)
Employer contributions receivable	-	(68,935)
Deemed distributed loans	-	(13,687)
Other	<u>-</u>	<u>1</u>
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$15,240,919</u>

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 8 - Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of the net increase (decrease) in net assets available for benefits per the financial statements to net income per the Form 5500 for the years ended December 31:

	<u>2010</u>	<u>2009</u>
Net increase (decrease) in net assets available for benefits per the financial statements	\$(15,392,676)	\$ 5,505,675
Transfer of assets to Harris Corporation 401(k) plan	18,777,030	-
Deemed distribution loans	13,687	-
Participant contributions receivable	69,136	(69,136)
Employer contributions receivable	68,935	(68,935)
Other	<u>(1)</u>	<u>1</u>
Net income per the Form 5500	<u>\$ 3,536,111</u>	<u>\$ 5,367,605</u>

Note 9 - Party-In-Interest Transactions

Certain Plan investments are managed by JP Morgan Chase and New York Life and therefore these transactions qualify as party-in-interest transactions.

Note 10 - Subsequent Event

Management has evaluated subsequent events through December 20, 2011, which was the date that the financial statements were available to be issued, and has determined that there are no subsequent events to be reported.

CapRock Communications, Inc.
401(k) Plan

Financial Statements

December 31, 2010

CapRock Communications, Inc.
401(k) Plan

December 31, 2010

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Schedules not included herein are omitted because of the absence of the conditions under which they are required.

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants of the
CapRock Communications, Inc. 401(k) Plan

We were engaged to audit the accompanying statements of net assets available for benefits of CapRock Communications, Inc. 401(k) Plan (the "Plan") as of December 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to information summarized in Note 6, which was certified by New York Life Trust Company and JP Morgan Chase Bank, the trustees of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan administrator has obtained certifications from the trustees as of and for the years ended December 31, 2010 and 2009 that the information provided to the Plan administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustees, have been audited by us in accordance with U.S. generally accepted auditing standards and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Pannell Kerr Forster of Texas, P.C.

December 20, 2011

CapRock Communications, Inc.
401(k) Plan

Statements of Net Assets Available for Benefits

	December 31,	
	2010	2009
Assets		
Investments at fair value		
Mutual funds	\$ -	\$ 12,962,574
Guaranteed interest account	-	1,989,857
Total investments at fair value	-	14,952,431
Receivables		
Participant contributions receivable	-	69,136
Employer contributions receivable	-	68,935
Notes receivable from participants	-	302,174
Total receivables	-	440,245
Total assets	-	15,392,676
Liabilities		
Total liabilities	-	-
Net assets available for benefits	\$ -	\$ 15,392,676

See notes to financial statements.

CapRock Communications, Inc.
401(k) Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31,	
	2010	2009
Additions to net assets		
Participant contributions	\$ 1,756,971	\$ 2,058,510
Employer contributions	662,069	795,425
Rollover contributions	<u>73,412</u>	<u>29,971</u>
Total contributions	<u>2,492,452</u>	<u>2,883,906</u>
Investment income		
Interest and dividends	237,635	143,701
Net appreciation in fair value of investments	<u>2,157,306</u>	<u>2,997,415</u>
Total investment income	<u>2,394,941</u>	<u>3,141,116</u>
Interest on notes receivable from participants	<u>16,585</u>	<u>18,835</u>
Total additions	<u>4,903,978</u>	<u>6,043,857</u>
Deductions from net assets		
Benefits paid to participants	1,481,923	536,079
Transfer to other qualifying plan	18,777,030	-
Administrative fees	<u>37,701</u>	<u>2,103</u>
Total deductions	<u>20,296,654</u>	<u>538,182</u>
Net increase (decrease) in net assets available for benefits	(15,392,676)	5,505,675
Net assets available for benefits, beginning of year	<u>15,392,676</u>	<u>9,887,001</u>
Net assets available for benefits, end of year	<u>\$ -</u>	<u>\$15,392,676</u>

See notes to financial statements.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 1 - Description of the Plan

The CapRock Communications, Inc. 401(k) Plan (the "Plan"), formed on July 1, 2002 and last amended on November 2, 2009, is a defined contribution plan pursuant to Sections 401(a) and 401(k) of the Internal Revenue Code ("IRC"). It covers all employees of CapRock Communications, Inc. (the "Company"), formerly IWL Communications dba CapRock Services Corporation, subject to certain restrictions for participation eligibility as defined in the Plan document. The following description provides only general information. Users of these financial statements should refer to the Plan document for more complete information.

General

The Plan covers all full-time and part-time employees, as defined, of the Company who have attained the age of 18 and completed two months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). JP Morgan Chase Bank ("JP Morgan") was the trustee of the Plan through November 1, 2009. Effective November 2, 2009, the Plan approved a change in trustee from JP Morgan to New York Life Trust Company ("New York Life" or the "Trustee").

Plan termination

The Company was acquired by Harris Corporation in 2010. As a result, beginning September 30, 2010, the Plan was frozen and all contributions beginning October 1, 2010 were deposited into the Harris Corporation 401(k) Plan. Net assets of \$18,777,030 were transferred into the Harris Corporation plan on December 31, 2010 and the Plan was terminated.

Contributions

Participant contributions consist of participant pre-tax elective deferrals and rollover contributions from other qualified benefit plans. Participants may elect to defer up to 75% of their eligible compensation, as dictated by the IRC.

For 2010 and 2009, the Company elected to match 50% of each participant's contribution up to a maximum of 8% of compensation contributed to the Plan. Effective November 2, 2009, the Plan provides for a year-end true-up matching contribution feature to allow participants to receive the maximum matching contribution available, by making up any loss in matching contributions resulting from the participant's individual savings strategies. The true-up matching contribution was approximately \$0 and \$42,000 for the years ended December 31, 2010 and 2009, respectively.

The Company may also make a discretionary profit sharing contribution in an amount to be determined at the plan year end as determined by the Company. There were no discretionary profit sharing contributions made for the years ended December 31, 2010 and 2009.

Participant accounts

Each participant's account is credited with the participant's contribution, the participant's rollover contribution, the Company's contribution and an allocation of Plan earnings, losses and fees. These allocations are based on the participant's eligible compensation and account balance, as defined in the Plan document.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 1 - Description of the Plan (Continued)

Participant accounts (continued)

Participants direct the investment of their account balances in any of several investment options. Participants can change their investment options among the various investment funds through direct transfers from one fund to another or by changing the percentage of future contributions allocated among the investment funds.

Vesting

Participants are immediately vested in their contributions and the actual earnings thereon. Vesting in the Company's contributions is determined by years of continuous service: 25% after one year of service; 50% after two years of service; 75% after three years of service; and 100% after four years of service. Also, a participant who retires after reaching normal retirement age, as defined, or because of disability, is 100% vested.

Notes receivable from participants

Participants may borrow from the Plan up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance, with a minimum note amount of \$500. A participant may not have more than one note outstanding at any time. All notes are amortized over a period not to exceed five years, except that notes to purchase or construct a primary residence may be repaid over a longer period. The interest rate for a note is the prime rate, as published in *The Wall Street Journal* on the 14th of each month, plus 1%. Principal and interest are paid ratably through payroll deductions.

Benefit payments

Participants may withdraw all or part of their vested accounts, subject to limitations stated in the Plan document, upon termination of employment, death or withdrawals by active participants due to hardship, disability or retirement. If the value of the participant's account balance is less than \$1,000, the payment may be made in cash in a single lump-sum without the participant's consent. If the participant's account balance is between \$1,000 and \$5,000 and the participant does not affirmatively consent to receive a distribution, the balance will be rolled into an individual retirement account established on behalf of the participant.

Plan expenses

The Plan provides for administrative expenses to be paid either by the Company or the Plan.

Forfeitures

The Plan provides that nonvested portions of Company contributions forfeited by terminated participants are used to reduce the Company's matching contributions and pay administrative expenses. Forfeitures applied during 2010 and 2009 totaled \$77,126 and \$33,870, respectively. At December 31, 2010 and 2009, there were \$0 and \$20,620, respectively, of remaining forfeitures.

CapRock Communications, Inc.
401(k) Plan

Notes to Financial Statements

December 31, 2010

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

The accompanying financial statements are presented on the liquidation basis of accounting. Benefits are recorded when paid.

Recent accounting pronouncements

The Financial Accounting Standards Board ("FASB") issued new guidance in 2010 that requires participant loans to be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. The guidance is effective for fiscal years ending after December 15, 2010 and applies retrospectively.

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CapRock Communications, Inc.
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Notes to Financial Statements

December 31, 2010

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U.S. generally accepted accounting principles ("GAAP") requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

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Notes to Financial Statements

December 31, 2010

Note 4 - Investments (Continued)

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Contract value, as reported to the Plan by the Trustee, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct withdrawals or transfer all or a portion of their investment at contract value. The contract is included in the financial statements at contract value, which approximates fair value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The guaranteed interest account seeks to provide competitive yields and limited volatility, with a guarantee of principal and accumulated interest. A guaranteed interest crediting rate will be declared in advance and fixed for each six-month period. The crediting interest rate is based on a formula agreed upon with the issuer, but a guaranteed minimum interest rate will apply. The initial guaranteed rate will last through December 31 of the first contract year. The crediting rate in subsequent contract years will be reset on January 1 and July 1 and guaranteed for a six-month period.

The declared interest rate credited during a contract year shall not be less than the guaranteed rate for such contract year. The average yield and rate of credited interest was 2.90% and 3.35% (net of 0.75% of expenses) at December 31, 2010 and 2009, respectively.

The investment contract was transferred to the Harris Corporation plan at December 31, 2010.

Note 6 - Information Certified by the Trustees (Unaudited)

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CapRock Communications, Inc.
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Notes to Financial Statements

December 31, 2010

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The Plan uses a three-level hierarchy, in accordance with the fair value standard, that establishes a hierarchy for grouping assets and liabilities, based on the significance of inputs. The hierarchy of fair value measurements is described below:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of these assets or liabilities; or
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- Mutual funds - these investments are valued daily at the net asset value of shares or units held by the Plan based on the quoted market prices of the underlying assets.
- Guaranteed interest account - this investment is currently invested in a broadly diversified fixed-income portfolio within New York Life's general account which is managed by New York Life's investment group. The investments in the guaranteed interest account are intended to provide a stable crediting rate consistent with preservation of principal. The New York Life general account is invested primarily in a conservative array of securities and cash-equivalent investments in accordance with the investment restrictions of New York insurance law. See Note 5.

Redemptions to accommodate a participant-directed exchange to another investment option may be made daily provided that the exchange is not directed to a competing fund. Transferred amounts must be held in a non-competing investment option 90 days before subsequent transfers to a competing fund can occur. This investment has no unfunded commitments.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the valuation methods are considered appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Notes to Financial Statements

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Note 7 - Fair Value Measurements (Continued)

The Plan's investments measured at fair value are as follows as of December 31, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Bond funds	\$ 637,181	\$ -	\$ -	\$ 637,181
Income funds	423,436	-	-	423,436
International funds	2,218,922	-	-	2,218,922
Large blend funds	1,894,433	-	-	1,894,433
Large growth fund	1,206,141	-	-	1,206,141
Large value fund	605,427	-	-	605,427
Mid-cap growth fund	1,340,866	-	-	1,340,866
Mid-cap value fund	1,001,064	-	-	1,001,064
Small growth funds	834,759	-	-	834,759
Small value fund	11,654	-	-	11,654
Retirement income fund	42,108	-	-	42,108
Target date funds	2,746,583	-	-	2,746,583
Guaranteed interest account	<u>-</u>	<u>1,989,857</u>	<u>-</u>	<u>1,989,857</u>
Total investments	<u>\$ 12,962,574</u>	<u>\$ 1,989,857</u>	<u>\$ -</u>	<u>\$ 14,952,431</u>

Note 8 - Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31:

	<u>2010</u>	<u>2009</u>
Net assets available for benefits per the financial statements	\$ -	\$15,392,676
Participant contributions receivable	-	(69,136)
Employer contributions receivable	-	(68,935)
Deemed distributed loans	-	(13,687)
Other	<u>-</u>	<u>1</u>
Net assets available for benefits per the Form 5500	<u>\$ -</u>	<u>\$15,240,919</u>

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Note 8 - Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of the net increase (decrease) in net assets available for benefits per the financial statements to net income per the Form 5500 for the years ended December 31:

	<u>2010</u>	<u>2009</u>
Net increase (decrease) in net assets available for benefits per the financial statements	\$(15,392,676)	\$ 5,505,675
Transfer of assets to Harris Corporation 401(k) plan	18,777,030	-
Deemed distribution loans	13,687	-
Participant contributions receivable	69,136	(69,136)
Employer contributions receivable	68,935	(68,935)
Other	<u>(1)</u>	<u>1</u>
Net income per the Form 5500	<u>\$ 3,536,111</u>	<u>\$ 5,367,605</u>

Note 9 - Party-In-Interest Transactions

Certain Plan investments are managed by JP Morgan Chase and New York Life and therefore these transactions qualify as party-in-interest transactions.

Note 10 - Subsequent Event

Management has evaluated subsequent events through December 20, 2011, which was the date that the financial statements were available to be issued, and has determined that there are no subsequent events to be reported.