

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

EXTREME NETWORKS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

77-0430270
(IRS Employer
Identification No.)

3585 Monroe Street
Santa Clara, California 95051
(408) 579-2800
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

Gordon L. Stitt
Chief Executive Officer
EXTREME NETWORKS, INC.
3585 Monroe Street
Santa Clara, California 95051
(408) 579-2800
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

Copies to:
J. HOWARD CLOWES, ESQ.
Gray Cary Ware & Freidenrich LLP
139 Townsend Street, Suite 400
San Francisco, California 94107-1922
(415) 836-9220

Approximate date of commencement of proposed sale to the public: As soon
as practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered
pursuant to dividend or interest reinvestment plans, please check the following
box.

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box
and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class 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
Common Stock, \$0.001 par value	2,884,285 shares	\$15.49	\$44,677,574.65	\$11,169.39

(1) Estimated pursuant to Rule 457(c) solely for the purpose of computing the
registration fee and based on the average of the high and low trading
prices of the common stock of Extreme Networks, Inc. as reported on the
Nasdaq National Market on April 9, 2001.

The Registrant hereby amends this Registration Statement on such date or dates
as may be necessary to delay its effective date until the Registrant shall file
a further amendment which specifically states that this Registration Statement
shall thereafter become effective in accordance with Section 8(a) of the
Securities Act of 1933 or until the Registration Statement shall become
effective on such date as the Commission, acting pursuant to such Section 8(a),
may determine.

The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

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Subject to Completion, Dated April 11, 2001

PRELIMINARY PROSPECTUS

2,884,285 Shares

[EXTREME NETWORKS LOGO]

Common Stock

This prospectus relates to the public offering, which is not being underwritten, of shares of the common stock of Extreme Networks, Inc. (the "Company" or "Extreme"). The shares of Extreme common stock may be offered by any of the selling stockholders named in this prospectus. We will receive no part of the proceeds of any sales made under this prospectus. All expenses of registration incurred in connection with this offering are being borne by us, but all selling and other expenses incurred by the selling stockholders will be borne by such selling stockholders. None of the shares offered by this prospectus has been registered prior to the filing of the registration statement of which this prospectus is a part.

The common stock offered in this prospectus may be offered and sold by the selling stockholders directly or through broker-dealers or underwriters acting solely as agents. In addition, the broker-dealers and underwriters may acquire the common stock as principals. The distribution of the common stock may be effected in one or more transactions. These transactions may take place through the Nasdaq National Market, privately negotiated transactions, underwritten public offerings, or a combination of any such methods of sale. These transactions may be made at market prices prevailing at the time of sale, prices related to the prevailing market prices or negotiated prices. Usual and customary or specially negotiated brokerage fees or commissions may be paid by the selling stockholders in connection with these sales.

The shares of Extreme are included for quotation in the Nasdaq National Market under the symbol "EXTR." On April 9, 2001, the reported last sale price of Extreme common stock in the Nasdaq National Market was \$15.49 per share.

SEE "RISK FACTORS" ON PAGES 4 TO 14 FOR FACTORS THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE SHARES OF EXTREME.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is April 11, 2001.

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You should rely on the information contained in this prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of the prospectus or of any sale of the common stock.

PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our Company, the common stock being sold in this offering, our financial statements and notes thereto appearing elsewhere in this prospectus.

Extreme is a leading provider of broadband switching solutions. We believe we deliver a simplified approach for building networks consistent with our corporate vision of "Ethernet Everywhere." Using Ethernet and Internet Protocol standards, our simple-to-use products are designed to meet the growing needs of enterprise local area networks, service providers, metropolitan area networks, and web-content providers. Our product solutions offer the competitive advantages of superior performance, scalability to meet customer needs, flexibility with respect to the allocation of network resources, ease of use, and lower cost of network ownership.

We achieve these advantages through the use of custom semiconductors in our products, also known as application specific integrated circuits, or ASICs, and by adopting uniform hardware and software designs throughout our product line. By using hardware-based architecture, our products are able to route network traffic, a function commonly referred to as Layer 3 switching, at a faster rate than by means of the software implementations used in competing products. Traditional Layer 3 products rely primarily on software that may result in slower traffic speeds and the loss of message packets in the switch during high network traffic periods. The ASIC-based, wire-speed architecture in our products is designed to avoid the loss of packets, and thereby improve overall system performance.

We have achieved rapid growth by pursuing opportunities in both existing and new markets, including medium and large enterprises, service providers, web-content providers, and application service providers. Our customers operate in a dynamic business environment in which information is available from multiple sources, network traffic is unpredictable, and performance demands are continually rising. In response to these challenges, we aim to benefit our customers by offering products that target mission-critical web applications, such as server collocation, enterprise resource planning, e-commerce, Voice-over-Internet Protocol, and private intranets.

The network switch market in which we operate has demonstrated significant growth in recent years. The Dell'Oro Group, a research and consulting firm, estimates in an independently prepared market report dated January 2001, that the market for Layer 3 switching equipment totaled \$2.1 billion in 1999, and is expected to increase to approximately \$6.8 billion in 2002. Furthermore, the same firm estimates the market for Layer 4 through 7 open systems interconnection model content networking devices to reach \$1.8 billion in 2002. Extreme is in the process of extending its offering of Internet Protocol services to provide Layer 4 through 7 switching solutions required for building high-performance content-aware networks.

We believe the past few years have witnessed a shift in the focus and direction of network infrastructure technology toward Internet Protocol and Ethernet-based switching networks. These networks offer a simplified, high-performance network architecture to meet existing and future application requirements. As a result, other competing technologies are giving way to a new industry convergence toward Internet Protocol and Ethernet-based switching.

Our goal is to deliver a simplified approach for building network infrastructure and to facilitate communication for a broad range of user applications. Our family of BlackDiamond, Summit, and Alpine switching solutions incorporate a unique combination of an ASIC-based architecture and network management software offering the following benefits:

- . High performance: Our products provide Gigabit Ethernet and Fast Ethernet together with non-blocking, wire-speed Layer 3 switching.
- . Simplicity and consistency: Our products share the same hardware, software, and management architecture. This allows businesses to build a consistent end-to-end network that shares a common set of features, performance, and management capabilities, making our networks easier to manage and administer, and reducing the overall cost of network ownership.

- . Scalability: Our products offer high speed and bandwidth with the capability to scale networks to support demanding applications in the future.
- . Policy-Based Quality of Service: Our Policy-Based Quality of Service, or QoS, allows network managers to allocate and prioritize the bandwidth for specific applications and computer users. Accordingly, mission-critical traffic, such as e-commerce transactions, can receive more bandwidth and higher priority than less important traffic.

We sell our products through domestic and international resellers, distributors, and our field sales organization. We have entered into agreements with more than 140 resellers in 50 countries, and we have established key relationships with leaders in the telecommunications, personal computer, and computer networking industries. Our field sales organization supports and develops leads for our resellers and distributors, and is actively working to expand the number of key accounts and strategic customers. Our products have been deployed in many organizations, ranging from companies in the fields of telecommunications, manufacturing, health care, computer services, media, and finance to educational and governmental institutions.

We are incorporated in Delaware. Our executive offices are located at 3585 Monroe Street, Santa Clara, California 95051-1450 and our telephone number is (408) 579-2800.

Recent Developments

On January 2, 2001, we announced that we signed a definitive agreement to acquire privately held Optranet, Inc., a developer of broadband access equipment. The total purchase price was approximately \$73 million, payable in common stock and options to acquire common stock. The transaction closed on January 31, 2001 and will be accounted for under the purchase method of accounting.

On March 2, 2001, we announced that we signed a definitive agreement to acquire privately held WebStacks, Inc., a developer of content networking devices. The total purchase price is up to approximately \$90 million, payable in common stock, options to acquire common stock, and cash. The transaction closed on March 7, 2001 and will be accounted for under the purchase method of accounting.

On April 5, 2001, we announced that we expected revenue for the third quarter ended March 31, 2001 to be approximately \$110 to \$115 million. Based on these revenues, we expect to report a pro forma loss of approximately \$0.06 to \$0.08 per share for the quarter, as further detailed in the Form 8-K filed with the Securities and Exchange Commission on April 6, 2001 and incorporated by reference herein.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement on Form S-3 under the Securities Act of 1933, as amended, with the Securities and Exchange Commission. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules which are a part of the registration statement. For further information with respect to us and our common stock, please refer to the registration statement and the exhibits and schedules filed with it. You may read and copy any document which we file with the SEC at the SEC's public reference rooms at 450 Fifth Street, N.W., Washington, D.C. 20549, or in New York, New York and Chicago, Illinois.

We are also subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, as amended. We file reports, proxy statements, and other information with the SEC to comply with the Exchange Act. These reports, proxy statements, and other information can be inspected and copied on the Internet at <http://www.sec.gov>; at the SEC's regional offices at: Seven World Trade Center, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and at the Public Reference Room of the SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 to obtain information regarding the operation of the Public Reference Room. Reports, proxy statements, and other information concerning our company also may be inspected at the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus. Any information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any additional documents we file with the SEC. This registration statement incorporates by reference the documents listed below that we have previously filed with the Securities and Exchange Commission. They contain important information about us and our financial condition.

The following documents filed with the SEC are incorporated by reference into this prospectus:

- . our Annual Report on Form 10-K for the year ended July 2, 2000;
- . our Definitive Proxy Statement relating to the Annual Meeting of Stockholders held on November 21, 2000;
- . our Quarterly Reports on Form 10-Q for the quarters ended October 1, 2000 and December 31, 2000;
- . our Current Report on Form 8-K filed with the SEC on April 6, 2001; and
- . the description of our common stock contained in "Description of Capital Stock" contained in our Registration Statement on Form S-1 filed with the SEC on February 5, 1999.

All documents filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of the offering of securities contemplated by this prospectus shall be deemed to be incorporated by reference in this prospectus. Those documents shall be considered to be a part of this prospectus from the date of filing of such documents. Any statement contained in a document incorporated by reference or deemed to be incorporated by reference into this prospectus shall be deemed to be modified or superseded for all purposes of this prospectus and the registration statement to the extent that a statement contained in this prospectus, in any document incorporated by reference or in any subsequently filed document which also is incorporated or deemed to be incorporated by reference in this prospectus modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered a copy of any and all of the documents referred to above which have been or may be

incorporated in this prospectus by reference and were not delivered with this prospectus. We will not deliver exhibits to such documents, unless such exhibits are specifically incorporated by reference. We will provide this information upon written or oral request by a person to whom we delivered a copy of the prospectus. Requests for such copies should be directed to our principal executive offices located at 3585 Monroe Street, Santa Clara, California 95051, Attention: Secretary. Our general telephone number is (408) 579-2800.

FORWARD LOOKING INFORMATION

Some of the information in this prospectus, including the following risk factors section, contains forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial performance. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. These statements are only predictions. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including the risks faced by us described below and elsewhere in this prospectus.

We believe it is important to communicate our expectations to our investors. However, there may be events in the future that we are not able to predict accurately or over which we have no control. The risk factors listed below, as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in our common stock, you should be aware that the occurrence of the events described in these risk factors and elsewhere in this prospectus could have a material adverse effect on our business, operating results, and financial condition.

RISK FACTORS

You should carefully consider the risks described below, in addition to the other information in this prospectus, before purchasing shares of our common stock. Each of these risk factors could adversely affect our business, financial condition, and operating results as well as adversely affect the value of an investment in our common stock.

Factors That May Affect Our Results

We Have a Limited History of Profitability and We Cannot Assure You that We Will Continue to Achieve Profitability

Although our revenue has grown in recent quarters, we cannot be certain that we will realize sufficient revenue in any period to achieve continued profitability. Fiscal 2000 was the first year in which Extreme achieved profitability in each of the four quarters. We anticipate continuing to incur significant sales and marketing, product development and general and administrative expenses and, as a result, we will need to generate significantly higher revenue to sustain profitability. In particular, we have significantly increased the number of our sales and marketing personnel. In addition, the amortization of purchased goodwill and intangibles, and deferred compensation associated with acquisitions, will result in material charges.

A Number of Factors Could Cause Our Quarterly Financial Results to Be Worse Than Expected, Resulting in a Decline in Our Stock Price

We plan to increase our operating expenses to expand our sales and marketing activities, broaden our customer support capabilities, develop new distribution channels, fund increased levels of research and development and build our operational infrastructure. We base our operating expenses on anticipated revenue trends and a high percentage of our expenses are fixed in the short term. As a result, any delay in generating or recognizing revenue could cause our quarterly operating results to be below the expectations of public market analysts or investors, which could cause the price of our common stock to fall.

We may experience a delay in generating or recognizing revenue for a number of reasons. Orders at the beginning of each quarter typically do not equal expected revenue for that quarter and are generally cancelable at

any time. Accordingly, we are dependent upon obtaining orders in a quarter for shipment in that quarter to achieve our revenue objectives. In addition, the timing of product releases, purchase orders and product availability could result in significant product shipments at the end of a quarter. Failure to ship these products by the end of a quarter may adversely affect our operating results. Furthermore, our customer agreements typically provide that the customer may delay scheduled delivery dates and cancel orders within specified timeframes without significant penalty. Furthermore, some of our customer agreements include acceptance provisions that delay our ability to recognize revenue upon shipment.

Our quarterly revenue and operating results have varied significantly in the past and may vary significantly in the future due to a number of factors, including, but not limited to, the following:

- . fluctuations in demand for our products and services, including seasonality, particularly in Asia and Europe;
- . unexpected product returns or the cancellation or rescheduling of orders;
- . our ability to develop, introduce, ship and support new products and product enhancements and manage product transitions;
- . announcements and new product introductions by our competitors;
- . our ability to develop and support customer relationships with service providers and other potential large customers;
- . our ability to achieve targeted cost reductions;
- . our ability to obtain sufficient supplies of sole or limited sourced components for our products on a timely basis;
- . increases in the prices of the components we purchase;
- . our ability to achieve and maintain desired production volumes and quality levels for our products;
- . the mix of products sold and the mix of distribution channels through which products are sold;
- . costs relating to possible acquisitions and the integration of technologies or businesses;
- . the effect of amortization of goodwill, deferred compensation, and purchased intangibles resulting from existing or new transactions; and
- . changes in general and/or specific economic conditions in the networking industry.

Due to the foregoing factors, we believe that period-to-period comparisons of our operating results should not be relied upon as an indicator of our future performance.

Intense Competition in the Market for Networking Equipment Could Prevent Us from Increasing Revenue and Prevent Us from Sustaining Profitability

The market for networking switches is intensely competitive. Our principal competitors include Cisco Systems, Foundry Networks, Riverstone Networks, and Nortel Networks. In addition, a number of private companies have announced plans for new products that may compete with our own products. Many of our current and potential competitors have the advantages over us of longer operating histories and substantially greater financial, technical, sales, marketing, and other resources, in addition to greater name recognition and larger

installed customer bases. These competitors may have developed, or could in the future, develop new competing products based on technologies that render our products obsolete.

To remain competitive, we believe we must, among other things, invest significant resources in developing new products enhancing our current products and maintaining customer satisfaction. If we fail to do so, our products may not compete favorably with those of our competitors, which could have a material adverse effect on our revenue and future profitability.

We Expect the Average Selling Prices of Our Products to Decrease Which May Reduce Gross Margins or Revenue

The network equipment industry has experienced rapid erosion of average selling prices due to a number of factors, including competitive pricing pressures and rapid technological change. We may experience substantial period-to-period fluctuations in future operating results due to the erosion of our average selling prices. We anticipate that the average selling prices of our products will decrease in the future in response to competitive pricing pressures, increased sales discounts, and new product introductions by us or our competitors, including, for example, competitive products manufactured with low cost merchant silicon. Therefore, to maintain our gross margins, we must develop and introduce on a timely basis new products and product enhancements and continually reduce our product costs. Our failure to do so would cause our revenue and gross margins to decline, which could have a material adverse effect on our operating results and cause the price of our common stock to decline.

The Market in Which We Compete is Subject to Rapid Technological Change and to Compete, We Must Continually Introduce New Products that Achieve Broad Market Acceptance

The network equipment market is characterized by rapid technological change, frequent new product introductions, changes in customer requirements, and evolving industry standards. If we do not address these changes by regularly introducing new products, our product line will become obsolete. Developments in routers and routing software could also significantly reduce demand for our product. Alternative technologies could achieve widespread market acceptance and displace the Ethernet technology on which our product lines and architecture are based. We cannot assure you that our technological approach will achieve broad market acceptance or that other technologies or devices will not supplant our own products and technology.

When we announce new products or product enhancements that have the potential to replace or shorten the life cycle of our existing products, customers may defer purchasing our existing products. These actions could have a material adverse effect on our operating results by unexpectedly decreasing sales, increasing inventory levels of older products, and exposing us to greater risk of product obsolescence. The market for switching products is evolving and we believe our ability to compete successfully in this market is dependent upon the continued compatibility and interoperability of our products with products and architectures offered by other vendors. In particular, the networking industry has been characterized by the successive introduction of new technologies or standards that have dramatically reduced the price and increased the performance of switching equipment. To remain competitive we need to introduce products in a timely manner that incorporate or are compatible with these emerging technologies. We cannot assure you that new products will be commercially successful. We have experienced delays in releasing new products and product enhancements in the past that has resulted in lower quarterly revenue than anticipated. We may experience similar delays in product development and release in the future and any delay in product introduction could adversely affect our ability to compete and cause our operating results to be below our expectations or the expectations of public market analysts or investors.

Continued Rapid Growth Will Strain Our Operations and Will Require Us to Incur Costs to Upgrade Our Infrastructure

We have experienced a period of rapid growth and expansion that has placed, and continues to place, a significant strain on our resources. Even if we manage this growth effectively, we may make mistakes in operating our business such as inaccurate sales forecasting, incorrect material planning, or inaccurate financial reporting, which may result in unanticipated fluctuations in our operating results. Our net revenue increased significantly during the last fiscal year, and from December 31, 1999 to December 31, 2000, the number of our employees increased from 367 to 924. We expect our anticipated growth and expansion to strain our management, operational,

and financial resources. Our management team has had limited experience managing such rapidly growing companies on a public or private basis. To accommodate this anticipated growth, we will be required to:

- . improve and update operational, information and financial systems, procedures and controls;
- . hire, train, and manage additional qualified personnel in the fields of engineering, sales, marketing, and networking technology; and
- . effectively manage multiple relationships with our customers, suppliers, and other third parties.

We may not be able to install adequate control systems in an efficient and timely manner, and our current or planned personnel systems, procedures, and controls may not be adequate to support our future operations. We may need to modify and improve our management information system to meet the increasing needs associated with our growth. The difficulties associated with installing and implementing these new systems, procedures, and controls may place a significant burden on our management and our internal resources. In addition, as we grow internationally, we need to expand our worldwide operations and enhance our communications infrastructure. Any delay in the implementation of such new or enhanced systems, procedures or controls, or any disruption in the transition to such new or enhanced systems, procedures or controls, could adversely affect our ability to accurately forecast sales demand, manage our supply chain and record and report financial and management information on a timely and accurate basis.

We Must Develop and Expand Our Indirect Distribution Channels to Increase Revenues and Improve Our Operating Results

Our distribution strategy focuses primarily on developing and expanding indirect distribution channels through resellers and distributors, in addition to expanding our field sales organization. If we fail to develop and cultivate relationships with significant resellers, or if these resellers are not successful in their sales efforts, sales of our products may decrease and our operating results would suffer. Many of our resellers also sell products that compete with our products. We are developing a two-tier distribution structure in Europe and the United States which has and will require us to enter into agreements with a number of stocking distributors. We have entered into two-tier distribution agreements; however, we cannot assure you that we will continue to be able to enter into additional distribution agreements or that we will be able to successfully manage the transition of resellers to a two-tier distribution channel. Our failure to do so could limit our ability to grow or sustain revenue. In addition, our operating results will likely fluctuate significantly depending on the timing and amount of orders from our resellers. We cannot assure you that our resellers will market our products effectively or continue to devote the resources necessary to provide us with effective sales, marketing and technical support.

In an effort to support and develop leads for our indirect distribution channels and to expand our direct sales to customers, we plan to continue to expand our field sales and support staff. We cannot assure you that this internal expansion will be successfully completed, that the cost of this expansion will not exceed the revenues generated, or that our expanded sales and support staff will be able to compete successfully against the significantly more extensive and well-funded sales and marketing operations of many of our current or potential competitors. Our inability to effectively establish our distribution channels or manage the expansion of our sales and support staff would materially adversely affect our ability to grow and increase revenue.

Most of Our Revenue is Derived From Sales of Three Product Families, So We are Dependent on Widespread Market Acceptance of These Products; Future Performance will Depend on the Introduction and Acceptance of New Products

In the quarter ended December 31, 2000, we derived substantially all of our revenue from sales of our Summit, BlackDiamond, and Alpine product families. We expect that revenue from these product families will account for a substantial portion of our revenue for the foreseeable future. Accordingly, widespread market acceptance of our product families is critical to our future success. Factors that may affect the market acceptance of our products include market acceptance of switching products, and Gigabit Ethernet and Layer 3 switching technologies in particular, in the enterprise, service provider and metropolitan area network markets, the performance, price and total cost of ownership of our products, the availability and price of competing products and

technologies, and the success and development of our resellers, distributors, and field sales channels. Many of these factors are beyond our control. Our future performance will also depend on the successful development, introduction, and market acceptance of new and enhanced products that address customer requirements in a cost-effective manner. In the past we have experienced delays in product development and such delays may occur in the future. We introduced a new product family in fiscal 2000 that is based on a new generation chip set. In addition, we also introduced new products within our existing product lines that incorporate this new chip set. The introduction of new and enhanced products may cause our customers to defer or cancel orders for existing products. Therefore, to the extent customers defer or cancel orders in the expectation of any new product release, any delay in development or introduction could cause our operating results to suffer. Failure of our existing or future products to maintain and achieve widespread levels of market acceptance may significantly impair our revenue growth.

If a Key Reseller, Distributor, or Other Significant Customer Cancels or Delays a Large Purchase, Our Revenues May Decline and the Price of Our Stock May Fall

To date, a limited number of resellers, distributors, and other customers have accounted for a significant portion of our revenue. If any of our large customers stop or delay purchases, our revenue and profitability would be adversely affected. For example, for the six months ended December 31, 2000, Tech Data Corporation accounted for 14% of our net revenue. Because our expense levels are based on our expectations as to future revenue and to a large extent are fixed in the short term, a substantial reduction or delay in sales of our products to, or the loss of any significant reseller, distributor, or other customer, or unexpected returns from resellers could harm our business, operating results and financial condition. Although our largest customers may vary from period-to-period, we anticipate that our operating results for any given period will continue to depend to a significant extent on large orders from a small number of customers, particularly in view of the high sales price per unit of our products and the length of our sales cycles.

While our financial performance depends on large orders from a few key resellers, distributors, and other significant customers, we do not have binding commitments from any of them. For example:

- . our service provider and enterprise network customers can stop purchasing and our resellers, and distributors can stop marketing our products at any time;
- . our reseller agreements generally are not exclusive and are for one-year terms, with no obligation of the resellers to renew the agreements;
- . our reseller agreements provide for discounts based on expected or actual volumes of products purchased or resold by the reseller in a given period; and
- . our reseller, distributor and end-user customer agreements generally do not require minimum purchases.

Under specified conditions, some third-party distributors are allowed to return products to us. Extreme defers recognition of revenue on sales to distributors until the distributors sell the product.

Some of Our Customers Depend on the Internet and its Rapid Growth for All or Substantially All of Their Revenue and May Not Have the Resources to Pay for Our Products as a Result of the Current Economic Environment

Some of our customers depend on the Internet and its rapid growth for all or substantially all of their revenue. However, with the recent economic slowdown, these customers are forecasting that their revenue for the foreseeable future will generally be lower than anticipated, and some of these customers are experiencing, or are likely to experience, serious cash flow problems. As a result, if some of these customers are not successful in generating sufficient revenue or securing alternate financing arrangements, we may not be able to collect the receivables that they owe us. The inability of some of our potential customers to pay us for our products may adversely affect our timing of revenue recognition, which may cause our stock price to decline.

The Sales Cycle for Our Products is Long and We May Incur Substantial Non-Recoverable Expenses or Devote Significant Resources to Sales that Do Not Occur When Anticipated

The timing of our sales revenue is difficult to predict because of our reliance on indirect sales channels and the length and variability of our sales cycle. Our products have a relatively high sales price per unit, and often represent a significant and strategic decision by an enterprise regarding its communications infrastructure. Accordingly, we point out that:

- . the decision by customers to purchase our products is often based on the results of a variety of internal procedures associated with the evaluation, testing, implementation and acceptance of new technologies;
- . the evaluation process frequently results in a lengthy sales process, typically ranging from three months to longer than a year, and as a result, our ability to sell products is subject to a number of significant risks, including budgetary constraints and internal acceptance reviews; and
- . the length of our sales cycle may also vary substantially from customer to customer. We may incur substantial sales and marketing expenses and expend significant management effort during the time that customers are evaluating products in consideration of a possible purchase; and
- . if a sales forecast from a specific customer for a particular quarter is not realized in that quarter, we may be unable to compensate for the shortfall, which could harm our operating results.

We Purchase Several Key Components for Products From Single or Limited Sources and Could Lose Sales if These Sources Fail to Fill Their Needs

We currently purchase several key components used in the manufacture of our products from single or limited sources and are dependent upon supply from these sources to meet our needs. Certain components such as tantalum capacitors, static random access memory, or SRAM, and printed circuit boards have been and may in the future be in short supply. While we have been able to meet our needs to date, we have in the past and are likely in the future to encounter shortages and delays in obtaining these or other components and this could have a material adverse effect on our ability to meet customer orders. Our principal sole sourced components include:

- . ASICs;
- . microprocessors;
- . programmable integrated circuits;
- . selected other integrated circuits;
- . cables;
- . custom power supplies; and
- . custom-tooled sheet metal.

Our principal limited sourced components include:

- . flash memories;
- . dynamic and static random access memories, commonly known as DRAMs and SRAMs, respectively; and
- . printed circuit boards.

We use a rolling six-month forecast based on anticipated product orders to determine our material requirements. Lead times for materials and components we order vary significantly, and depend on factors such as the specific supplier, contract terms, and demand for a component at a given time. If orders do not match forecasts, we may have excess or inadequate inventory of certain materials and components, which could have a material adverse effect on our operating results and financial condition. From time-to-time we have experienced shortages and allocations of certain components, resulting in delays in filling orders. In addition, during the development of our products we have experienced delays in the prototyping of our ASICs, which in turn has led to delays in product introductions.

We Need to Expand Our Manufacturing Operations and We Depend on Contract Manufacturers for Substantially All of Our Manufacturing Requirements

If the demand for our products continues to grow, we will need to increase our material purchases, contract manufacturing capacity and internal test and quality functions. Any disruptions in product flow could limit our revenue, adversely affect our competitive position and reputation, and result in additional costs or cancellation of orders under agreements with our customers.

We rely on third party contractors to manufacture our products. We currently subcontract our manufacturing to three companies - Flextronics International, Ltd., located in San Jose, California, MCMS, Inc., located in Boise, Idaho, and Solectron Corporation, located in Milpitas, California. We have experienced delays in product shipments from contract manufacturers in the past, which in turn delayed product shipments to our customers. We may in the future experience similar or other problems, such as inferior quality and insufficient quantity of product, any of which could have a material adverse effect on our business and operating results. There can be no assurance that we will effectively manage our contract manufacturers or that these manufacturers will meet our future requirements for timely delivery of products of sufficient quality and quantity. We intend to regularly introduce new products and product enhancements, which will require that we rapidly achieve volume production by coordinating our efforts with those of our suppliers and contract manufacturers. The inability of our contract manufacturers to provide us with adequate supplies of high-quality products or the loss of any of our contract manufacturers would cause a delay in our ability to fulfill orders and would have a material adverse effect on our business, operating results and financial condition.

As part of our cost-reduction efforts, we will need to realize lower per unit product costs from our contract manufacturers by means of volume efficiencies. However, we cannot be certain when or if such price reductions will occur. The failure to obtain such price reductions would adversely affect our gross margins and operating results.

We and Manufacturers of Our Products Rely on a Continuous Power Supply to Conduct Operations, and California's Current Energy Crisis Could Disrupt Our Business and Increase Our Expenses

California is in the midst of an energy crisis that could disrupt our operations and increase our expenses. In the event of an acute power shortage, that is, when power reserves for California fall below 1.5%, electricity providers have on some occasions implemented, and may in the future continue to implement, rolling blackouts. Two of the three manufacturers of our products, Flextronics and Solectron, are located in California. As a result of this crisis, these contractors may be unable to manufacture sufficient quantities of our products to meet our needs, or they may increase the fees charged for their services. We do not have long-term contracts with either Flextronics or Solectron. The inability of our contract manufacturers to provide us with adequate supplies of products would cause a delay in our ability to fulfill our orders, which would hurt our business, and any increase in their fees could adversely affect our financial condition.

In addition, the majority of our operations are located in California. We currently do not have backup generators or alternate sources of power in the event of a blackout. If blackouts interrupt our power supply, we would temporarily be unable to continue operations at our facilities. Any such interruption in our ability to continue operations at our facilities could damage our reputation, harm our ability to retain existing customers and to obtain new customers, and could result in lost revenue, any of which could substantially harm our business and results of operation.

If We Lose Key Personnel or are Unable to Hire Additional Qualified Personnel as Necessary, We May Not Be Able to Successfully Manage Our Business or Achieve Our Objectives

Our success depends to a significant degree upon the continued contributions of our key management, engineering, sales and marketing and operations personnel, many of whom would be difficult to replace. In particular, we believe that our future success is highly dependent on Gordon Stitt, chairman, president and chief executive officer, Stephen Haddock, vice president and chief technical officer, and Herb Schneider, vice president of engineering. We do not have employment contracts with these personnel nor do we carry life insurance on any of our key personnel.

We believe our future success will also depend in large part upon our ability to attract and retain highly skilled managerial, engineering, sales and marketing, finance, and operations personnel. Competition for these personnel is intense, especially in the San Francisco Bay Area, and we have had difficulty hiring employees, particularly software engineers, in the timeframe we desire. There can be no assurance that we will be successful in attracting and retaining such personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel in the future or delays in hiring desired personnel, particularly engineers and sales personnel, could make it difficult for us to manage our business and meet key objectives, such as new product introductions. In addition, companies in the networking industry whose employees accept positions with competitors frequently claim that competitors have engaged in unfair hiring practices. We have from time to time received claims like this from other companies and, although to date they have not resulted in material litigation, we cannot assure you that we will not receive additional claims in the future as we seek to hire qualified personnel or that such claims will not result in material litigation. We could incur substantial costs in defending ourselves against any such claims, regardless of the merits of such claims.

Our Products Must Comply With Evolving Industry Standards and Complex Government Regulations or Our Products May Not Be Widely Accepted, Which May Prevent Us From Sustaining Our Revenues or Achieving Profitability

The market for network equipment products is characterized by the need to support industry standards as different standards emerge, evolve and achieve acceptance. We will not be competitive unless we continually introduce new products and product enhancements that meet these emerging standards. In the past, we have introduced new products that were not compatible with certain technological changes, and in the future we may not be able to effectively address the compatibility and interoperability issues that arise as a result of technological changes and evolving industry standards. Our products must comply with various U.S. federal government regulations and standards defined by agencies such as the Federal Communications Commission, in addition to standards established by governmental authorities in various foreign countries and recommendations of the International Telecommunication Union. If we do not comply with existing or evolving industry standards or if we fail to obtain timely domestic or foreign regulatory approvals or certificates we will not be able to sell our products where these standards or regulations apply, which may prevent us from sustaining our revenues or achieving profitability.

Failure to Successfully Integrate Our Expanded Sales and Support Organizations into Our Operation or Educate Them About Our Product Families Will Hurt Our Operating Results

Our products and services require a sophisticated sales effort targeted at several levels within a prospective customer's organization. Unless we expand our sales force we will not be able to increase revenues. We cannot assure you that we will be able to educate new employees about our product families or successfully integrate new employees into our company. A failure to do so will hurt our revenue growth and consequently hurt our operating results.

We Depend Upon International Sales for Much of Our Revenue and Our Ability to Sustain and Increase Our International Sales Depends on Successfully Expanding Our International Operations

Our ability to grow will depend in part on the expansion of international sales that are expected to continue to constitute a significant portion of our sales. Sales to customers outside of North America accounted for approximately 54% and 47% of our net revenue in the six months ended December 31, 2000 and December 31,

1999, respectively. Our international sales primarily depend on our resellers and distributors. The failure of our resellers and distributors to sell our products internationally would limit our ability to sustain and grow our revenue. In addition, there are a number of risks arising from our international business, including:

- . longer accounts receivable collection cycles;
- . difficulties in managing operations across disparate geographic areas;
- . difficulties associated with enforcing agreements through foreign legal systems;
- . the payment of operating expenses in local currencies, which exposes us to risks of currency fluctuations;
- . import or export licensing requirements;
- . potential adverse tax consequences; and
- . unexpected changes in regulatory requirements.

Our international sales currently are U.S. dollar-denominated. As a result, an increase in the value of the U.S. dollar relative to foreign currencies could make our products less competitive in international markets. In the future, we may elect to invoice some of our international customers in local currency which will expose us to fluctuations in exchange rates between the U.S. dollar and the particular local currency. If we do so, we may decide to engage in hedging transactions to minimize the risk of such fluctuations. We have entered into foreign exchange forward contracts to offset the impact of payment of operating expenses in local currencies to some of our operating foreign subsidiaries. However, if we are not successful in managing these hedging transactions, we could incur losses from hedging activities. Because we currently denominate sales in U.S. dollars, we do not anticipate that the adoption of the Euro as a functional legal currency of certain European countries will materially affect our business.

We May Engage in Future Acquisitions that Dilute the Ownership Interests of Our Stockholders, Cause Us to Incur Debt, and Assume Contingent Liabilities

As part of our business strategy, we review acquisition and strategic investment prospects that would complement our current product offerings, augment our market coverage or enhance our technical capabilities, or that may otherwise offer growth opportunities. We are reviewing investments in new businesses and we expect to make investments in and to acquire businesses, products, or technologies in the future. In the event of any future acquisitions, we could:

- . issue equity securities which would dilute current stockholders' percentage ownership;
- . incur substantial debt;
- . incur goodwill that, under current accounting rules, must be amortized over time, reducing our net income;
- . assume contingent liabilities; or
- . expend significant cash.

These actions by us could have a material adverse effect on our operating results and/or the price of our common stock. In addition, with any acquisition, we may be required to absorb the costs associated with the acquisition long before we are able to realize any benefits from the acquisition.

Acquisitions and investment activities also entail numerous risks, including:

- . difficulties in the assimilation of acquired operations, technologies, or products;
- . unanticipated costs associated with the acquisition or investment transaction;
- . diversion of management's attention from other business concerns;
- . adverse effects on existing business relationships with suppliers and customers;
- . risks associated with entering markets in which we have no or limited prior experience;
- . potential loss of key employees of acquired organizations; and
- . substantial charges for amortization of goodwill or purchased intangibles or similar items.

We cannot assure you that we will be able to successfully integrate any businesses, products, technologies, or personnel that we might acquire in the future, and our failure to do so could have a material adverse effect on our business, operating results and financial condition. Moreover, even if the company does obtain benefits in the form of increased sales and earnings, often times there is a lag between the time when the expenses associated with an acquisition are incurred and the time when the company achieves such results. This is particularly relevant in cases where it is necessary to integrate new types of technology into our existing portfolio and new types of products may be targeted for potential customers with which we do not have pre-existing relationships.

We May Need Additional Capital to Fund Our Future Operations and, If It Is Not Available When Needed, Extreme May Need to Reduce Its Planned Development and Marketing Efforts, Which May Reduce Our Revenues and Prevent Us From Achieving Profitability

We believe that our existing working capital, proceeds from the initial public offering in April 1999, proceeds from the secondary offering in October 1999, and cash available from credit facilities and future operations will enable us to meet our working capital requirements for at least the next 12 months. However, if cash from future operations is insufficient, or if cash is used for acquisitions or other currently unanticipated uses, we may need additional capital. The development and marketing of new products and the expansion of reseller and distribution channels and associated support personnel is expected to require a significant commitment of resources. In addition, if the market for our products were to develop more slowly than anticipated or if we fail to establish significant market share and achieve a meaningful level of revenues, we may continue to utilize significant amounts of capital. As a result, we could be required to raise substantial additional capital. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities could result in dilution to existing stockholders. If additional funds are raised through the issuance of debt securities, such securities may have rights, preferences and privileges senior to holders of common stock and the term of such debt could impose restrictions on our operations. We cannot assure you that such additional capital, if required, will be available on acceptable terms, or at all. If we are unable to obtain such additional capital, we may be required to reduce the scope of our planned product development and marketing efforts, which would harm our business, financial condition and operating results.

If Our Products Contain Undetected Software or Hardware Errors, We Could Incur Significant Unexpected Expenses and Lost Sales

Network products frequently contain undetected software or hardware errors when first introduced upon the release of new versions. In the past, we have experienced such errors in connection with new products and product upgrades. We expect that such errors will be found from time to time in new or enhanced products after the commencement of commercial shipments. These problems may materially adversely affect our business by causing us to incur significant warranty and repair costs, diverting the attention of our engineering personnel from our product development efforts, and causing significant customer relations problems.

Our products must successfully interoperate with products from other vendors. As a result, when problems occur in a network, it may be difficult to identify the source of the problem. The occurrence of hardware and software errors, whether caused by our products or another vendor's products, could result in the delay or loss of market acceptance of our products and any necessary revisions may result in the incurrence of significant expenses. The occurrence of any such problems would likely have a material adverse effect on our business, operating results and financial condition.

Our Ability to Protect Our Intellectual Property and Defend Against Claims May be Limited and May Adversely Affect Our Ability to Compete

We rely on a combination of patent, copyright, trademark, and trade secret laws and restrictions on disclosure to protect our intellectual property rights. However, we cannot assure you that the actions we have taken will adequately protect our intellectual property rights. The networking industry in which Extreme operates is prone to intellectual property claims by and among competing parties. We cannot assure you that we will always successfully defend against such claims.

We also enter into confidentiality or license agreements with our employees, consultants, and corporate partners, and control access to and distribution of our software, documentation, and other proprietary information. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our products or technology.

We Are Subject to a Claim and Could Enter Litigation Regarding Intellectual Property Rights, Which Could Seriously Harm Our Business and Require Us to Incur Significant Costs

If we infringe the proprietary rights of others, we could be compelled to either obtain a license to those intellectual property rights or alter our products so that these no longer infringe upon the proprietary rights of a third party. Any license could be very expensive to obtain or may not be available at all. Similarly, changing our products or processes to avoid infringing the rights of others may be costly or impractical. Litigation resulting from claims that we are infringing others' proprietary rights could result in substantial costs and diversion of resources and could have a material adverse effect on our business, financial condition, and results of operations.

We have received notice from three companies alleging that we are infringing their patents. One of these companies, Nortel Networks, has filed a claim against us alleging patent infringement. We are examining this claim and believe it is without merit. However, we are continuing our investigation of the claim. If judgments by a court of law on this or any other claim received in the future were to be upheld, the consequences to us may be severe and could require us to, among other actions:

- . stop selling our products that incorporate the challenged intellectual property;
- . obtain a license to sell or use the relevant technology, which license may not be available on reasonable terms or at all;
- . pay damages; or
- . redesign those products that use the disputed technology.

If we are forced to take any of the foregoing actions, our business could be severely harmed.

Provisions in Our Charter or Agreements May Delay or Prevent a Change of Control

Provisions in our certificate of incorporation and bylaws may delay or prevent a change of control or changes in our management. These provisions include:

- . the division of the board of directors into three separate classes;

- . the right of the board of directors to elect a director to fill a vacancy created by the expansion of the board of directors; and
- . the ability of the board of directors to alter our bylaws without getting stockholder approval.

Furthermore, we are subject to the provisions of section 203 of the Delaware General Corporation Law. These provisions prohibit large stockholders, in particular those owning 15% or more of the outstanding voting stock, from consummating a merger or combination with a corporation unless this stockholder receives board approval for the transaction or 66 2/3% of the shares of voting stock not owned by the stockholder approve the merger or combination.

USE OF PROCEEDS

Extreme will not receive any proceeds from the sale of common stock by the selling stockholders. See "Selling Stockholders" and "Plan of Distribution."

SELLING STOCKHOLDERS

A total of 2,884,285 shares of common stock are being registered in this offering for the account of the selling stockholders. All of the selling stockholders acquired the shares of common stock as part of our acquisition of WebStacks, Inc. in March 2001. These shares are being registered pursuant to the terms of the acquisition. The following table sets forth information known to us with respect to the selling stockholders for whom we are registering the shares for resale to the public. The shares being registered under the registration statement of which this prospectus is a part will be sold, if at all, by the selling stockholders listed below. Unless otherwise indicated, each of these selling stockholders own less than one percent of our outstanding common stock.

Name of Selling Stockholders -----	Number of Vested Shares Beneficially Owned Prior to the Offering -----	Number of Unvested Shares Beneficially Owned Prior to the Offering / (1) / -----	Number of Shares That May Sold -----	Shares Beneficially Owned After the Offering -----
Norwest Venture Partners VIII, LP (2)	795,533	0	795,533	0
NVP Entrepreneurs Fund VIII, LP (2)	40,306	0	40,306	0
Ratinder Paul Singh Ahuja	208,960	125,376	334,336	0
Chien C. Chou	45,971	101,136	147,107	0
Timon Sloane	0	133,734	133,734	0
Miguel W. Gomez	21,174	97,515	118,689	0
Rahoul Puri	23,089	62,166	85,255	0
Kiet Tran	20,200	63,383	83,583	0
David Wang	0	73,553	73,553	0
Robert Abrams	12,468	56,070	68,538	0
Richard Langston	0	50,150	50,150	0
Don Medley	12,537	37,612	50,149	0
Liang Liu	0	50,150	50,150	0
Erik Antonio de la Iglesia	0	50,149	50,149	0
Wim Dewilder	11,282	33,852	45,134	0
Susan Carrie	0	36,776	36,776	0
Julie Zhang	0	35,104	35,104	0

Name of Selling Stockholders	Number of Vested Shares Beneficially Owned Prior to the Offering	Number of Unvested Shares Beneficially Owned Prior to the Offering/(1)/	Number of Shares That May Sold	Shares Beneficially Owned After the Offering
Todd Wayne	0	31,761	31,761	0
Andrew McLeod	0	26,745	26,745	0
Roy Parker	0	25,075	25,075	0
Donn M. Hall	0	25,074	25,074	0
Heidi Friedrikson	6,790	18,284	25,074	0
Mark Wallace	0	25,074	25,074	0
Shub Chowdhury	0	23,403	23,403	0
Richard Robb	0	20,060	20,060	0
William Deninger	0	20,059	20,059	0
Oliver Tan	0	17,385	17,385	0
Paul Vabakos	16,716	0	16,716	0
Venkatesh Nayak	0	16,716	16,716	0
Felix Manlunas	0	15,044	15,044	0
Charles Hein	0	13,373	13,373	0
Eloisabell Trillo	0	11,701	11,701	0
John Burnett	5,014	3,009	8,023	0
Carolyn M. Bruguera	3,343	0	3,343	0
Elena Meyers	334	0	334	0
Ricky K. Lowe, Trustee of the Ricky K. Lowe 2000 Trust dated October 2, 2000	33,433	0	33,433	0
Ricky K. Lowe, Trustee of the Nina M. Harris-Lowe 2000 Trust dated October 2, 2000	33,433	0	33,433	0
Ricky K. Lowe and Nina M. Harris-Lowe, Trustees of the Ricky K. Lowe & Nina M. Harris-Lowe 1998 Revocable Trust dated September 24, 1998, as amended	125,378	125,374	250,752	0
Ricky K. Lowe, Trustee of the RKL 2000 Trust No. Three dated November 13, 2000	3,343	0	3,343	0
Ricky K. Lowe, Trustee of the RKL 2000 Green Trust dated November 13, 2000	5,015	0	5,015	0
Ricky K. Lowe, Trustee of the NMHL 2000 Trust No. Three dated November 13, 2000	3,343	0	3,343	0
Ricky K. Lowe, Trustee of the NMHL 2000 Green Trust dated November 13, 2000	5,015	0	5,015	0
Miguel W. Gomez, Trustee of the Miguel W. Gomez 2000 Grantor Retained Annuity Trust dated November 10, 2000	15,045	0	15,045	0
Khanh Diem Vu & Kiet Tuan Tran, Co-Trustees of the Khanh Diem Vu 2000 Grantor Retained Annuity Trust dated November 13, 2000	1,671	0	1,671	0

Name of Selling Stockholders -----	Number of Vested Shares Beneficially Owned Prior to the Offering -----	Number of Unvested Shares Beneficially Owned Prior to the Offering /(1)/ -----	Number of Shares That May Sold -----	Shares Beneficially Owned After the Offering -----
Kiet Tuan Tran & Khanh Diem Vu, Co-Trustees of Kiet Tuan Tran 2000 Grantor Retained Annuity Trust dated November 13, 2000	1,671	0	1,671	0
Robert Francois Abrams, Trustee of the Robert Francois Abrams 2000 Grantor Retained Annuity Trust dated November 13, 2000	4,179	0	4,179	0
Carly Okuda Abrams, Trustee of the Carly Okuda Abrams 2000 Grantor Retained Annuity Trust dated November 13, 2000	4,179	0	4,179	0
TOTAL	----- 1,459,422	----- 1,424,863	----- 2,884,285	----- 0

(1) The unvested shares vest on a monthly basis in equal installments. Only fully vested shares may be sold under this prospectus.

(2) Promod Haque, one of our directors, is a managing general partner of Norwest Venture Partners VIII, LP and NVP Entrepreneurs Fund VIII, LP.

PLAN OF DISTRIBUTION

We have been advised by the selling stockholders that they may sell all or a portion of their shares of common stock. The selling stockholders plan to sell on the Nasdaq National Market, or otherwise. The selling stockholders may sell their shares at prices and on terms prevailing at the time of sale, at prices related to the then current market price, or in negotiated transactions. The selling stockholders may sell one or more of the following methods:

- . Block trades in which the broker or dealer so engaged will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- . Purchases by a broker or dealer as principal and resale by such broker or dealer for its own account pursuant to this prospectus;
- . On over-the-counter distribution in accordance with the rules of the Nasdaq National Market;
- . Ordinary brokerage transactions and transactions in which the broker solicits purchasers; and
- . Privately negotiated transactions.

There is no assurance that selling stockholders will offer or sell any or all of their shares of common stock registered under this prospectus.

In effecting sales, brokers or dealers engaged by the selling stockholders may arrange for other brokers or dealers to participate. Brokers or dealers will receive commissions or discounts from the selling stockholders in amounts to be negotiated prior to the sale. Such brokers or dealers and any other participating brokers or dealers may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. We will pay all expenses incident to the offering and sale to the public of shares by the selling stockholders. We will not pay underwriting commissions or similar charges and legal fees and disbursements of counsel for the selling stockholders.

We agreed with the selling stockholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of:

- . Such time as each of the selling stockholders may sell all of the shares held by him, her or it without registration pursuant to Rule 144 under the Securities Act within a three-month period;
- . Such time as all of the shares have been sold by the selling stockholders; or
- . One year from the date of this prospectus.

We intend to de-register any of the shares not sold by the selling stockholders at the end of such period. At such time, however, any unsold shares may be freely tradable subject to compliance with Rule 144 of the Securities Act.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for Extreme by Gray Cary Ware & Freidenrich LLP, Palo Alto, California.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements at June 30, 2000, for the period from July 1, 1999 through June 30, 2000 and for each of the three years in the period ended June 30, 2000, as set forth in their report. We have included our financial statements in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given upon the authority of such firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

The following table sets forth the various expenses payable by us in connection with the sale and distribution of the securities being registered. All of the amounts shown are estimates except for the Securities and Exchange Commission registration fee and the Nasdaq listing application fee.

	To be Paid By the Registrant

Securities and Exchange Commission registration fee.....	\$ 11,169.39
Accounting fees and expenses.....	15,000.00
Printing expenses.....	2,500.00
Transfer agent and registrar fees and expenses.....	2,500.00
Legal fees and expenses.....	25,000.00
Miscellaneous expenses.....	10,000.00

Total.....	\$ 66,169.39
	=====

Item 15. Indemnification of Directors and Officers

Section 102 of the Delaware General Law, or DGCL, as amended, allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the DGCL provides, among other things, that we may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of Extreme, or is or was serving at our request as a director, officer, agent or employee of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding. The power to indemnify applies (a) if such person is successful on the merits or otherwise in defense of any action, suit or proceeding, or (b) if such person acting in good faith and in a manner he reasonably believed to be in the best interest, or not opposed to the best interest, of Extreme, and with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful. The power to indemnify applies to actions brought by or in the right of Extreme as well but only to the extent of defense expenses (including attorneys' fees but excluding amounts paid in settlement) actually and reasonably incurred and not to any satisfaction of judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made in the event of any adjudication of liability to Extreme, unless the court believes that in light of all the circumstances indemnification should apply.

Section 174 of the DGCL provides, among other things, that a director, who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption, may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time, may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

Our Certificate of Incorporation and Bylaws provide that we shall indemnify our directors, officers, employees and agents to the maximum extent permitted by Delaware Law, including in circumstances in which

indemnification is otherwise discretionary under Delaware Law. In addition, we have entered into separate agreements with our directors and officers which would require us, among other things, to indemnify them against certain liabilities which may arise by reason of their status or service (other than liabilities arising from willful misconduct of a culpable nature). We also intend to maintain director and officer liability insurance, if available on reasonable terms. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933, as amended (the "Securities Act").

We have a policy of directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or other agents in which indemnification is being sought. We are not aware of any threatened litigation that may result in a claim for indemnification by any of our directors, officers, employees or other agents.

Item 16. Exhibits

The following exhibits are filed with this Registration Statement:

Exhibit Number -----	Exhibit Title -----
4.1	Registration Rights Agreement.
5.1	Legal opinion of Gray Cary Ware & Freidenrich LLP, counsel to the Registrant.
23.1	Consent of Ernst & Young LLP, independent auditors.
23.2	Consent of Gray Cary Ware & Freidenrich LLP (included in Exhibit 5.1 to this Registration Statement).
24.1	Power of Attorney (included as page II-4).

Item 17. Undertakings

The undersigned registrant hereby undertakes:

We hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, as amended, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended (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.

Insofar as indemnification for liabilities arising under the Act 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 Securities 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 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 whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

We hereby undertake that:

(a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus 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.

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-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California, on the 8/th/ day of April, 2001.

EXTREME NETWORKS, INC.

By: /s/ GORDON L. STITT

 Gordon L. Stitt
 Chief Executive Officer

POWER OF ATTORNEY

Each of the officers and directors of Extreme Networks, Inc. whose signature appears below hereby constitutes and appoints Gordon L. Stitt and Vito Palermo his true and lawful attorneys and agents, with full power of substitution, and with power to act alone, to sign on behalf of the undersigned any amendment or amendments to this Registration Statement on Form S-3 (including post-effective amendments) and any and all new registration statements filed pursuant to Rule 462 under the Securities Act of 1933, as amended, and to perform any acts necessary to file such amendments or registration statements, with exhibits thereto and other documents in connection therewith, and each of the undersigned does hereby ratify and confirm his signature as it may be signed by his said attorneys and agents to any and all such documents and all that said attorneys and agents, or their substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on April 8, 2001 by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date ----
/s/ GORDON L. STITT ----- Gordon L. Stitt	Chairman of the Board, President and Chief Executive Officer	April 8, 2001
/s/ VITO PALERMO ----- Vito Palermo	Vice President, Chief Financial Officer and Secretary	April 8, 2001
/s/ CHARLES CARNALLI ----- Charles Carnalli	Director	April 8, 2001
/s/ PROMOD HAQUE ----- Promod Haque	Director	April 8, 2001
/s/ LAWRENCE K. ORR ----- Lawrence K. Orr	Director	April 8, 2001
/s/ PETER WOLKEN ----- Peter Wolken	Director	April 8, 2001

EXHIBIT NO.

EXHIBIT TITLE

4.1	Registration Rights Agreement
5.1	Legal opinion of Gray Cary Ware & Freidenrich LLP, counsel to the Registrant
23.1	Consent of Ernst & Young LLP, independent auditors
23.2	Consent of Gray Cary Ware & Freidenrich LLP (included in Exhibit 5.1 to this Registration Statement)
24.1	Power of Attorney (included as page II-4)

REGISTRATION RIGHTS AGREEMENT

February 27, 2001

This Registration Rights Agreement (this "Agreement") is made and entered into as of the date set forth above (the "Effective Date") by and between Extreme Networks, Inc., a Delaware corporation (the "Extreme") and WebStacks, Inc. ("Company").

RECITALS

WHEREAS, in order to induce the Company to enter into that certain Merger Agreement and Plan of Reorganization of even date herewith (the "Merger Agreement") and to induce the Company to enter the Merger Agreement and to consummate the transactions contemplated thereby (the "Merger"), the parties hereto desire to enter into this Agreement and to provide registration and other rights to the Company Shareholders (as defined in the Merger Agreement).

WHEREAS, pursuant to the Merger, among other things, and subject to the terms and conditions of the Merger Agreement, all of the shares of Company Common Stock which are issued and outstanding immediately prior to the Effective Time of the Merger shall be converted into the right to receive shares of Common Stock, par value \$0.001 per share, of Extreme ("Extreme Common Stock").

Capitalized terms used are not otherwise defined herein have the meanings set forth in the Merger Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter set forth, the parties hereto agree as follows:

AGREEMENT

1. REGISTRATION RIGHTS.

1.1 Certain Definitions. For purposes of this Section 1:

(a) Registration. The terms "register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement.

(b) Registrable Securities. The term "Registrable Securities" means (i) the shares of Extreme Common Stock that are issued to the Company Shareholders in the Merger pursuant to Sections 1.6(a) of the Merger Agreement, and (ii) any shares of Extreme Common Stock that may be issued as a dividend or other distribution (including shares of Extreme Common Stock issued in a subdivision and split of Extreme's outstanding Common Stock) with respect to, or in exchange for, or in replacement of, shares of Extreme Common Stock described in clause (i) of this Section 1.1(b) or in this clause (ii); excluding in all cases, however, from the definition of "Registrable Securities" any such shares that are: (w) registered

under the Securities Act other than pursuant to a registration statement filed pursuant to this Agreement; (x) sold by a person in a transaction in which rights under this Agreement with respect to such shares are not assigned in accordance with the terms of this Agreement; (y) sold pursuant to a registration statement filed pursuant to this Agreement; or (z) sold pursuant to Rule 144 promulgated under the Securities Act or otherwise sold to the public. Only shares of Extreme Common Stock shall be Registrable Securities. Except as provided in clauses (i) and (ii) of the first sentence of this Section 1.1(b), without limitation, the term "Registrable Securities" does not include any shares of Extreme Common Stock that were not issued in connection with the Merger.

(c) Holder. The term "Holder" means a Company Shareholder who is the original holder of any Registrable Securities or any assignee of record of any Registrable Securities to whom rights under this Agreement have been duly assigned in accordance with the provisions of this Agreement.

(d) Form S-3. The term "Form S-3" means a registration statement filed under Form S-3 under the Securities Act, as such is in effect at the Effective Time, or any successor form of registration statement under the Securities Act subsequently adopted by the SEC that permits inclusion or incorporation of a substantial amount of information by reference to other documents filed by Extreme with the SEC.

(e) Rule 415. The term "Rule 415" means Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the SEC.

1.2 Form S-3 Shelf Registration.

(a) Filing and Registration Period. Subject to the terms and conditions of this Agreement, consistent with the requirements of applicable law, Extreme shall file with the SEC within 60 days of the Effective Time (as defined in the Merger Agreement) a registration statement on Form S-3 for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the then outstanding Registrable Securities (the "Shelf Registration"). Extreme shall use commercially reasonable efforts to cause such Shelf Registration to be declared effective as soon as practicable after its filing and to keep the Shelf Registration continuously effective under the Securities Act for a continuous period of time (such period of time being hereinafter called the "Registration Period") commencing on the date the Shelf Registration is declared effective under the Securities Act by the SEC (the "Date of Effectiveness") and ending on the one year anniversary that the Shelf Registration and any Subsequent Registration (as defined below) has been effective, provided that in the event that Extreme exercises its right to prohibit sales due to a cessation or suspension of effectiveness as described in Section 1.2(b) below, then Extreme shall extend the Registration Period hereunder by the number of trading days that such sales were so prohibited. Extreme shall have no duty or obligation to keep the Shelf Registration (or any Subsequent Registration, as defined below) effective after the expiration of the Registration Period.

(b) Subsequent Registration. If the Shelf Registration is filed with the SEC and becomes effective under the Securities Act, and the Shelf Registration or a Subsequent

Registration (as defined below) thereafter ceases to be effective for any reason at any time during the Registration Period, then Extreme shall use all reasonable efforts to obtain the prompt withdrawal of any order suspending the effectiveness thereof, and in any event shall, within thirty days of such cessation of effectiveness, file an amendment to the Shelf Registration seeking to obtain the withdrawal of the order suspending the effectiveness thereof, or file an additional "shelf" registration statement pursuant to Rule 415 covering all of the then outstanding Registrable Securities (a "Subsequent

Registration"). If a Subsequent Registration is filed, Extreme shall use its

best efforts to cause the Subsequent Registration to be declared effective as soon as practicable after such filing and to keep such registration statement continuously effective until the end of the Registration Period.

(c) Supplements and Amendments. Subject to the provisions of Section

1.2(g), during the Registration Period Extreme shall supplement and amend the Shelf Registration or Subsequent Registration, as applicable, if, as and when required by the Securities Act, the rules and regulations promulgated thereunder or the rules, regulations or instructions applicable to the registration form used by Extreme for such Shelf Registration.

(d) Timing and Manner of Sales. Any sale of Registrable Securities

pursuant to a Shelf Registration or a Subsequent Registration under this Section 1.2 may be made only during the Registration Period. In addition, any sale of Registrable Securities pursuant to a Shelf Registration or a Subsequent Registration under this Section 1.2 may only be made in accordance with the method or methods of distribution of such Registrable Securities that are described in the registration statement for the Shelf Registration (or Subsequent Registration, as applicable) and permitted by such form of registration statement. Subject to any other agreements between the Holder and Extreme or Surviving Corporation, notwithstanding the terms and conditions of this Section 1, a Holder may also sell Registrable Securities in a bona fide private offering if the selling Holder provides Extreme with a written opinion of counsel, satisfactory to counsel to Extreme acting in a reasonable manner, that such offer and sale is an exempt transaction under the Securities Act and applicable state securities laws, complies with all requirements for such exemptions and is not made with use of the prospectus for the Shelf Registration (or Subsequent Registration, if applicable), or if such resale is made in accordance with Rule 144 promulgated under the Securities Act (or successor provisions).

(e) No Underwritings. No sale of Registrable Securities under any

Shelf Registration (or Subsequent Registration) effected pursuant to this Section 1.2 may be effected pursuant to any underwritten offering without Extreme's prior written consent, which may be withheld in its sole and absolute discretion.

(f) Material Events. In the event of a material development or

potential material development involving Extreme that requires Extreme under the Securities Act and the regulations thereunder to amend the registration statement for the Shelf Registration (or Subsequent Registration, as applicable) in order to cause the prospectus to be current, then Extreme will give written notice to all Holders as soon as practicable, but in no event more than three business days after such event that (i) the Shelf Registration (or Subsequent Registration, as applicable) must be amended and (ii) no sale of Registrable Securities may be made under the Shelf Registration (or Subsequent Registration, as applicable) until such Shelf Registration (or Subsequent Registration, as applicable) has been amended. In the event that Extreme determines

that an amendment to the registration statement is necessary as provided above, it will use all commercially reasonable efforts to file and cause such amendment to become effective as soon as practicable; whereupon it will notify the Holders that the prospectus is current. In the event that sales under the Shelf Registration (or Subsequent Registration) are prohibited pursuant to this Section 1.2(f), then after such Shelf Registration (or Subsequent Registration) has been amended, Extreme will give written notice to all Holders as soon as practicable, but in no event more than three business days after such amendment, that sales under the Shelf Registration (or Subsequent Registration) may resume.

(g) Trading Window Compliance. The Holders acknowledge that the

Extreme Insider Trading Compliance Program and Insider Trading Policy, as such may be amended from time to time, a current copy of which has been provided to the Company prior to the Closing (the "Extreme Trading Policy") requires that

those directors, officers and employees of Extreme and its subsidiaries and those other persons whom Extreme determines to be "Access Personnel" or otherwise subject to the "trading window" and pre-clearance requirements of the Extreme Trading Policy (and members of their immediate families and households) are permitted to effect trades in Extreme securities: (i) only during those specified time periods ("trading windows") in which such persons are permitted

to make sales, purchases or other trades in Extreme's securities under the "trading window" provisions of the Extreme Trading Policy; and (ii) only after pre-clearance of such sales, purchases or other trades with Extreme's Insider Trading Compliance Officer. If a Holder is or becomes subject to the "trading window" and/or "pre-clearance" provisions of the Extreme Trading Policy described above, then, notwithstanding anything herein to the contrary, such Holder may sell, transfer and dispose of Registrable Securities only during those trading windows during which such Extreme Access Personnel are permitted to effect trades in Extreme stock under the Extreme Trading Policy and only after pre-clearing such trades with Extreme's Insider Trading Compliance Officer as provided in the Extreme Trading Policy.

1.3 Limitations. Notwithstanding the provisions of Section 1.2 above,

Extreme shall not be obligated to effect any registration, qualification or compliance of Registrable Securities pursuant to Section 1.2 of this Agreement, and the Holders shall not be entitled to sell Registrable Securities pursuant to any registration statement filed under Section 1.2 of this Agreement, as applicable:

(a) if Form S-3 is not then available for such offering by the Holders;

(b) if Extreme shall furnish to the Holders (and all other holders of Extreme's registrable securities) a certificate signed by an officer of Extreme stating that, in the good faith judgment of such officer, it would be detrimental to Extreme and its stockholders for such Permitted Window to be in effect at such time, due, for example, to the existence of a material development or potential material development involving Extreme which Extreme would be obligated to disclose in the prospectus contained in the Shelf Registration (or Subsequent Registration, as applicable), which disclosure would, in the good faith judgment of such officer, be premature or otherwise inadvisable at such time or would have a material adverse affect upon Extreme and its stockholders, in which event Extreme will have the right to defer the filing of any such Shelf Registration (or Subsequent Registration, if applicable) for a period of not more than forty days after delivery of such certificate to the Holders;

(c) if Extreme is acquired and Extreme Common Stock ceases to be publicly traded and the consideration received in such acquisition is cash and/or publicly traded securities registered under the Securities Act;

(d) in any particular jurisdiction in which Extreme would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance, unless Extreme is already subject to service of process in such jurisdiction; or

(e) if the SEC refuses to declare such registration effective due to the participation of any particular Holder in such registration (unless such Holder withdraws all such Holder's Registrable Securities from such registration statement); or if the manner in which any Registrable Securities are disposed of pursuant to the Shelf Registration (or Subsequent Registration, as applicable) is not included within the plan of distribution set forth in the prospectus for the Shelf Registration (or Subsequent Registration, as applicable).

1.4 Shares Otherwise Eligible for Resale. Notwithstanding anything

herein to the contrary, Extreme shall not be obligated to effect or continue to keep effective any such registration, registration statement, qualification or compliance with respect to the Registrable Securities held by any particular Holder:

(a) if Extreme or its legal counsel shall have received a "no-action" letter or similar written confirmation from the SEC that all the Registrable Securities then held by such Holder may be resold by such Holder within a three month period without registration under the Securities Act pursuant to the provisions of Rule 144 promulgated under the Securities Act (or successor provisions), or otherwise;

(b) if legal counsel to Extreme shall deliver a written opinion to Extreme, its transfer agent and the Holders, in form and substance reasonably acceptable to Extreme to the effect that all the Registrable Securities then held by such Holder may be resold by such Holder within a three month period without registration under the Securities Act pursuant to the provisions of Rule 144 promulgated under the Securities Act, or otherwise; or

(c) after expiration or termination of the Registration Period.

1.5 Expenses. Extreme shall pay all expenses incurred in connection

with any registration effected by Extreme pursuant to this Agreement (excluding brokers' discounts and commissions), including, without limitation, all filing, registration and qualification, printers', legal (including, the reasonable fees and expenses of one counsel for the Holders as a group) and accounting fees.

1.6 Obligations of Extreme. Subject to Sections 1.2, 1.3 and 1.4

above, when required to effect the registration of any Registrable Securities under the terms of this Agreement, Extreme will, as expeditiously as reasonably possible:

(a) furnish to the Holders such number of copies of the prospectus for the Shelf Registration (or Subsequent Registration, as applicable), including a preliminary prospectus (and amendments or supplements thereto), in conformity with the requirements of the

Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them;

(b) notify each Holder of Registrable Securities promptly and, if requested by such Holder, confirm such notification in writing promptly (i) when a registration statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments and supplements to a registration statement that has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iv) of the receipt by Extreme of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (v) of any determination by Extreme that a post-effective amendment to a registration statement would be appropriate;

(c) use all reasonable efforts to (i) register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions in the United States as will be reasonably requested by the Holders; provided that Extreme will not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such state or jurisdiction unless Extreme is already so qualified or subject to service of process, respectively, in such jurisdiction; and (ii) cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities, including the National Association of Securities Dealers as may be necessary by virtue of the business and operations of Extreme; provided that Extreme will not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph (c), (B) subject itself to taxation in any jurisdiction, or (C) consent to general service of process in any such jurisdiction except as may be required by the Securities Act;

(d) promptly notify each Holder of Registrable Securities covered by such registration statement, when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and, subject to the provisions of this Agreement, at the request of any Holder, prepare and furnish to each Holder of Registrable Securities then outstanding a reasonable number of copies of a supplement to or an amendment of the prospectus as may be necessary to correct the untrue statement or omission;

(e) make available for inspection by any Holder of Registrable Securities and any attorney, accountant or other professional retained by any such Holder (collectively, the "Inspectors"), all financial and other records, -----
pertinent corporate documents and properties of Extreme (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due -----
diligence responsibility, and cause Extreme's officers, directors and employees to supply all information reasonably requested by any Inspectors in connection with such registration statement; provided, that prior to any such disclosure, such Inspector executes a non-disclosure agreement in form and substance acceptable to Extreme. Records

which Extreme determines, in good faith, to be confidential and which it notifies the Inspectors in writing are confidential shall not be disclosed to the Inspectors unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such registration statement or (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction. Each Holder of Registrable Securities agrees that information obtained by it as a result of such inspections shall be deemed confidential and shall not be used by it as the basis for any market transactions in the securities of Extreme or its affiliates or otherwise disclosed by it unless and until such is made generally available to the public. Each Holder of such Registrable Securities further agrees that it will, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give written notice to Extreme and allow Extreme, at its expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(f) use its commercially reasonable efforts to cause all such Registrable Securities to be listed on the Nasdaq National Market and each securities exchange on which similar securities issued by Extreme are then listed; and

(g) upon the request of any Holder, promptly provide the name, address and other contract information regarding Extreme's transfer agent for the Registrable Securities and the CUSIP number for the Registrable Securities.

1.7 Furnish Information. It shall be a condition precedent to the obligations of Extreme to take any action pursuant to this Section 1 that the selling Holders will furnish to Extreme such information regarding themselves, the Registrable Securities held by them, and the intended method of disposition and plan of distribution of such Registrable Securities as shall be required to timely effect the registration of their Registrable Securities.

1.8 Delay of Registration. No Holder will have any right to obtain or seek an injunction restraining or otherwise delaying any registration that is the subject of this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Agreement.

1.9 Indemnification.

(a) By Extreme. To the extent permitted by law, Extreme will indemnify, defend and hold harmless each Holder against any losses, claims, damages, or liabilities (joint or several), and will indemnify and reimburse Holder for any reasonable attorneys' fees and other expenses reasonably incurred by Holder in connection with investigating or defending any such loss, claim, damage, liability, or action, as incurred, to which such Holder may become subject under the Securities Act, the Exchange Act or other U.S. federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation"):

(i) any untrue statement or alleged untrue statement of a material fact contained in a registration statement filed by Extreme pursuant to this Agreement

pursuant to which Registrable Securities are sold, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto;

(ii) the omission or alleged omission to state in such registration statement, preliminary prospectus or final prospectus or any amendments or supplements thereto, a material fact required to be stated therein, or necessary to make the statements therein not misleading; or

(iii) any violation or alleged violation by Extreme of the Securities Act, the Exchange Act, any U.S. federal or state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any U.S. federal or state securities law in connection with the offering of Registrable Securities covered by such registration statement;

provided however, that the indemnity agreement contained in this subsection 1.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the written consent of Extreme (which consent shall not be unreasonably withheld), nor shall Extreme be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder.

(b) By Selling Holders. To the extent permitted by law, (i) each

selling Holder will indemnify and hold harmless Extreme, each of its directors, each of its officers who have signed the registration statement, each Person, if any, who controls Extreme within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement, against any losses, claims, damages or liabilities (joint or several) to which Extreme or any such director, officer, controlling person, underwriter or other such Holder may become subject under the Securities, the Exchange Act or other federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; (ii) and each such Holder will indemnify and reimburse Extreme or any such director, officer, controlling person, underwriter or other Holder for any reasonable attorneys' fees and other expenses reasonably incurred by Extreme or any such director, officer, controlling person, underwriter or other Holder in connection with investigating or defending any such loss, claim, damage, liability or action, as incurred. Each selling Holder's liability pursuant to this Section 1.9(b) shall be limited to an amount equal to the net proceeds received by such selling Holder pursuant to sales under the registration statement.

(c) Notice. Promptly after receipt by an indemnified party under

this Section 1.9 of notice of the commencement of any action (including any governmental action) against such indemnified party, such indemnified party will, if a claim for indemnification or contribution in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and, if the indemnifying party is Extreme, Extreme shall have the right and obligation to control the

defense of such action, and if Extreme fails to defend such action it shall indemnify and reimburse the selling Holders for any reasonable attorneys' fees and other expenses reasonably incurred by them in connection with investigating or defending such action; provided, however, that: (i) Extreme shall also have the right, at its option, to assume and control the defense of any action with respect to which Extreme or any person entitled to be indemnified by the selling Holders under Section 1.9(c) is entitled to indemnification from the selling Holders; (ii) the indemnified party or parties shall have the right to participate at its own expense in the defense of such action and (but only to the extent agreed in writing with Extreme and any other indemnifying party similarly noticed) to assume the defense thereof with counsel mutually satisfactory to the parties; and (iii) an indemnified party shall have the right to retain its own counsel, with the fees and expenses of such counsel to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to an actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure of an indemnified party to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to the ability of the indemnifying party to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.9, but the omission so to deliver written notice to the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) Defect Eliminated in Final Prospectus. The foregoing

indemnity agreements of Extreme and the Holders are subject to the condition that, insofar as they relate to any Violation made in a preliminary prospectus but eliminated or remedied in the amended or supplemented prospectus on file with the SEC and effective at the time the sale of Registrable Securities under such registration statement occurs (the "Amended Prospectus"), such indemnity

agreement shall not inure to the benefit of any person if a copy of the Amended Prospectus was furnished to the indemnified party and was not furnished to the person asserting the loss, liability, claim or damage in the action giving rise to indemnity claims under this Section 1.9, at or prior to the time such action is required by the Securities Act.

(e) Survival. The obligations of Extreme and Holders under this

Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement pursuant to this Agreement, and otherwise.

1.10 Duration and Termination of Extreme's Obligations. Extreme will

have no obligations pursuant to Section 1.2 of this Agreement with respect to any request or requests for registration (or inclusion in a registration) made by any Holder or to maintain or continue to keep effective any registration or registration statement pursuant hereto: (a) after the expiration or termination of the Registration Period; (b) with respect to a particular Holder if, in the opinion of counsel to Extreme, all such Registrable Securities proposed to be sold by such Holder may be sold in a three (3) month period without registration under the Securities pursuant to Rule 144 promulgated under the Securities or otherwise; or (c) if all Registrable Securities have been registered and sold pursuant to a registration effected pursuant to this Agreement and/or have been transferred in transactions in which registration rights hereunder have not been assigned in accordance with this Agreement.

1.11 Acknowledgment of Other Agreements. The Holders acknowledge that

they have been informed by Extreme that other stockholders of Extreme currently hold certain Form S-3 and other registration rights that may enable such other stockholders to sell shares of Extreme during the Registration Period or at other times (thus potentially adversely affecting the receptivity of the market to the sale of the Registrable Securities pursuant to a registration effected pursuant to this Agreement).

1.12 Assignment. Notwithstanding anything herein to the contrary, the

rights of a Holder under Section 1 may be assigned only with Extreme's express prior written consent, which may be withheld in Extreme's sole discretion; provided, however, that the rights of a Holder under Section 1 may be assigned without Extreme's express prior written consent: (a) to a Permitted Assignee (as defined below); or (b) (if applicable) by will or by the laws of intestacy, descent or distribution, provided that the assignee first agrees in writing to be bound by all the obligations of the Holders under this Section 1. Any attempt to assign any rights of a Holder under Section 1 without Extreme's express prior written consent in a situation in which such consent is required by this Section shall be null and void and without effect. Subject to the foregoing restrictions, all rights, covenants and agreements in Section 1 by or on behalf of the parties hereto will bind and inure to the benefit of the respective permitted successors and assigns of the parties hereto. Each of the following parties are "Permitted Assignees" for purposes of this Section 1.12: (a) a trust whose beneficiaries consist solely of a Holder and such Holder's spouse, lineal descendants or antecedents, father, mother, brother, sister, adopted child, and/or adopted grandchild ("Immediate Family Members") and/or the spouse(s) of any Immediate Family Members and/or the legal guardian(s) of Immediate Family Members; (b) the personal representative (such as an executor of a Holder's will), custodian or conservator of a Holder, in the case of the death, bankruptcy or adjudication of incompetency of that Holder; (c) Immediate Family Members of a Holder; (d) partners of a Holder that is a partnership; (e) members of a Holder that is a limited liability company; or (f) a person or entity that directly or indirectly controls, is controlled by, or is under common control with, a Holder.

1.13 The provisions of this Section 1 shall survive and remain operative and in full force and effect following the Effective Time.

2. GENERAL PROVISIONS.

2.1 Notices. All notices, requests and other communications

hereunder must be in writing and will be deemed to have been duly given only if delivered personally against written receipt or by facsimile transmission against facsimile confirmation or mailed by internationally recognized overnight courier prepaid, to the parties at the following addresses or facsimile numbers:

If to Extreme to:

Extreme Networks, Inc.
3585 Monroe Street
Santa Clara, CA 95051
Facsimile No.: (408) 579-3000

Attn: Vito Palermo

with a copy (which shall not constitute notice to:

Gray Cary Ware & Freidenrich LLP
139 Townsend Street, Suite 400
San Francisco, CA 94107-1922
Facsimile No.: (415) 836-9220
Attn: J. Howard Clowes

If to the Company to:

WebStacks, Inc.
444 Oakmead Parkway
Sunnyvale, CA 94085
Facsimile No.: (408) 524-3598
Attn: Ratinder Ahuja and Rick Lowe

with a copy (which shall not constitute notice) to:

Thoits, Love, Hershberger & McLean
245 Lytton Avenue, Suite 300
Palo Alto, CA 94301
Facsimile No.: (650) 325-5572
Attn: Carolyn M. Bruguera

All such notices, requests and other communications will (a) if delivered personally to the address as provided in this Section 2.1, be deemed given upon delivery, (b) if delivered by facsimile transmission to the facsimile number as provided for in this Section 2.1, be deemed given upon facsimile confirmation, and (c) if delivered by overnight courier to the address as provided in this Section 2.1, be deemed given on the earlier of the first Business Day following the date sent by such overnight courier or upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice is to be delivered pursuant to this Section 2.1). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other party hereto.

2.2 Entire Agreement. This Agreement, together with all the exhibits

hereto, constitutes and contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof.

2.3 Governing Law. This Agreement shall be governed by and construed

exclusively in accordance with the internal laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, excluding that body of law relating to conflict of laws and choice of law.

2.4 Severability. If one or more provisions of this Agreement are

held to be unenforceable under applicable law, then such provision(s) shall be
excluded from this Agreement and the balance of this Agreement shall be
interpreted as if such provision(s) were so excluded and shall be enforceable in
accordance with its terms.

2.5 Third Parties. Nothing in this Agreement, express or implied, is

intended to confer upon any person, other than the parties hereto and their
successors and assigns, any rights or remedies under or by reason of this
Agreement.

2.6 Successors and Assigns. Subject to the provisions of Section

1.12, the provisions of this Agreement shall inure to the benefit of, and shall
be binding upon, the successors and permitted assigns of the parties hereto.

2.7 Captions. The captions to sections of this Agreement have been

inserted for identification and reference purposes only and shall not be used to
construe or interpret this Agreement.

2.8 Counterparts. This Agreement may be executed in counterparts,

each of which shall be deemed an original, but all of which together shall
constitute one and the same instrument.

2.9 Costs and Attorneys' Fees. In the event that any action, suit or

other proceeding is instituted concerning or arising out of this Agreement or
any transaction contemplated hereunder, the prevailing party shall recover all
of such party's reasonable costs and attorneys' fees incurred in each such
action, suit or other proceeding, including any and all appeals or petitions
therefrom.

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of February 27, 2001.

WEBSTACKS, INC.

EXTREME NETWORKS, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

[GRAY CARY WARE & FREIDENRICH LLP LETTERHEAD]

April 8, 2001

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

Re: Extreme Networks, Inc.
Registration Statement on Form S-3

Ladies and Gentlemen:

As counsel to Extreme Networks, Inc., a Delaware corporation (the "Company"), we are rendering this opinion in connection with the preparation and filing of a registration statement on Form S-3 (the "Registration Statement") relating to the registration under the Securities Act of 1933, as amended, of up to 2,884,285 shares of common stock to be sold by the selling stockholders named in the Registration Statement (the "Shares").

We have examined all instruments, documents and records which we deemed relevant and necessary for the basis of our opinion hereinafter expressed. In such examination, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies.

Based on such examination, we are of the opinion that the Shares have been duly authorized and validly issued and are fully paid and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the above-referenced Registration Statement and to the use of our name wherever it appears in said Registration Statement, including the Prospectus constituting a part thereof, as originally filed or as subsequently amended.

Respectfully submitted,

/s/ Gray Cary Ware & Freidenrich LLP

GRAY CARY WARE & FREIDENRICH LLP

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related prospectus of Extreme Networks, Inc. for the registration of shares of its common stock and to the incorporation by reference therein of our report dated July 18, 2000, except for note 9, as to which the date is August 24, 2000, with respect to the consolidated financial statements and schedule of Extreme Networks, Inc. included in its Annual Report on Form 10-K for the year ended July 2, 2000, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Palo Alto, California
April 5, 2001