

CONTRACT FOR SERVICES

This Contract for Services (hereinafter referred to as "Contract"), entered into this 4th day of November, 2013, by and between eRate Solutions, L.L.C. (hereinafter referred to as "ERATE SOLUTIONS") and Central Texas Library System, (hereinafter referred to as "CUSTOMER").

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the parties hereto mutually agree as follows:

1. DEFINITIONS

1.1. ERATE SOLUTIONS. - A Limited Liability Company organized and operated pursuant to Kansas law and authorized to conduct lawful business.

1.2. CUSTOMER- The eligible institution herein contracting with ERATE SOLUTIONS for the performance of services.

1.3. Universal Service Fund ("USF") - The federal fund supporting, among other things, the establishment of discounts for eligible institutions to receive affordable access to modern telecommunication and information services.

1.4. Universal Service Administrative Company ("USAC") - A non-profit company responsible for administering the USF, pursuant to the direction of the Federal Communications Commission, insofar as it relates to discounts for eligible institutions to receive affordable access to modern telecommunication and information services.

1.5. Schools and Libraries Division ("SLD") - A division of USAC responsible for the administration of the schools and libraries program.

1.6. Eligible Institution - An institution eligible for the receiving of discounts under the USF pursuant to the rules and promulgations established by USAC as amended from time to time by USAC.

1.7. Service Provider - Institutions accepted and authorized by USAC for the providing of telecommunication and information services supported by the USF to eligible institutions.

1.8. Funding Commitment - The total discounted amount of services awarded to CUSTOMER.

1.9. Funding Commitment Decision Letter - Notification, in the form of written correspondence, from USAC regarding SLD's decision on CUSTOMER'S request for funding.

1.10. Funding Year - Each funding year begins on July 1st of the current year and ends on June 30th of the next calendar year.

1.11. Funding Request Number (FRN) - The unique identification number, assigned to an individual request, listed upon a funding commitment decision letter.

1.12. FCC Form 471 - The Schools and Libraries Universal Service Services Ordered and Certification Form 471 asks schools and libraries to list the eligible telecommunications related services they have ordered and estimate the annual charges for them so that the Fund Administrator can set aside sufficient support to reimburse providers for services.

2. DUTIES OF ERATE SOLUTIONS

2.1. ERATE SOLUTIONS agrees to abide by and adhere to all applicable federal, state and administrative laws and regulations;

2.2. ERATE SOLUTIONS agrees to diligently pursue the procurement of discounts for telecommunication and information services available to CUSTOMER under the USF, as administered by USAC and SLD, on behalf of the CUSTOMER. Specifically, such duties shall be:

- (a) To complete, for CUSTOMER'S signature, all necessary forms required by USAC and SLD to receive discounted services under the USF; and
- (b) To file all necessary completed forms required by USAC and SLD to receive discounted services under the USF in a timely manner as defined by applicable deadlines established by USAC and SLD; and
- (c) To confirm eligibility, as defined by USAC and SLD, of all services for which discounts will be sought.

2.3. ERATE SOLUTIONS shall engage in all necessary contact with CUSTOMER as it relates to requirements, deadlines, and additional requests for information as may be propounded from time to time by USAC or SLD for the procurement of discounted telecommunication and information services available to eligible institutions under the USF.

2.4. ERATE SOLUTIONS shall complete and return all necessary certifications and documents for CUSTOMER'S signature relating to CUSTOMER'S potential funding within a commercially practicable time.

2.5. ERATE SOLUTIONS shall maintain and safeguard copies of all forms and correspondence relating to CUSTOMER'S potential funding for a period of time not less than FIVE (5) years.

3. DUTIES OF CUSTOMER

3.1. CUSTOMER shall abide by and adhere to all applicable federal, state, and administrative laws and regulations;



3.2. CUSTOMER shall compensate ERATE SOLUTIONS for services performed under this contract according to the terms for compensation outlined in section Five of this contract;

3.3. CUSTOMER shall use its best efforts to attempt to obtain and maintain a current count of total students as well as a current count of students eligible for the National School Lunch Program's Free and Reduced Lunch Program.

3.4. CUSTOMER shall relay any and all correspondence received from USAC or SLD regarding potential funding by the USF to ERATE SOLUTIONS within three (3) business days of customer receipt.

3.5. CUSTOMER shall not do anything that would in any way frustrate the obtaining of the most cost effective award by ERATE SOLUTIONS, including but not limited to:

- (a) terminating this contract before the expiration of the term;
- (b) hiring, contracting, consulting, or in any other way engaging another entity besides ERATE SOLUTIONS to perform these services on its behalf while this contract is in effect.

3.6. CUSTOMER shall abide by and adhere to all local, state, USAC, SLD, and Federal Communication Commission laws and guidelines relating to USF;

3.7. CUSTOMER shall make available to ERATE SOLUTIONS: all contracts for services deemed eligible by SLD and/or USAC under the USF; itemized lists of services requested; any and all pre-existing contracts with service providers; and any and all other documents or information relating to the selection of a service provider promptly upon request by ERATE SOLUTIONS but always prior to CUSTOMER entering into agreements with service providers.

3.8. CUSTOMER shall maintain and safeguard copies of all forms and correspondence relating to CUSTOMER'S potential funding for a period not less than FIVE (5) years.

4. GOOD FAITH

Both ERATE SOLUTIONS and CUSTOMER agree to perform all duties herein contained in good faith and to do all other prudent things reasonably related to the obtaining of the most cost effective award for the CUSTOMER.

5. COMPENSATION

Each participating library will be billed individually by ERATE SOLUTIONS. It will be the responsibility of each library, not the Central Texas Library System to pay their ERATE SOLUTIONS invoice.



5.1. As compensation for services rendered, CUSTOMER shall pay to ERATE SOLUTIONS an amount determined in accordance with the following schedule:

- (a) NINE PERCENT (9%) of the first TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) awarded to CUSTOMER in the Funding Commitment for each Funding Year during the term of this Contract with a minimum charge of ONE HUNDRED DOLLARS (\$100.00) per library;
- (b) FOUR AND ONE-HALF PERCENT (4.5%) of the Funding Commitment awarded to CUSTOMER for each Funding Year during the term of this Contract for that amount that exceeds TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) but is less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00); and
- (c) ONE PERCENT (1%) of the Funding Commitment awarded CUSTOMER for each Funding Year during the term of this Contract for that amount that exceeds FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00).

EXAMPLE: If the Funding Commitment awarded CUSTOMER for the Funding Year is \$90,000.00, the CUSTOMER shall pay ERATE SOLUTIONS a total of \$8,100.00. This amount represents 9% of the Funding Commitment which does not exceed \$250,000.00.

EXAMPLE: If the Funding Commitment awarded CUSTOMER for the Funding Year is \$325,000.00, the CUSTOMER shall pay ERATE SOLUTIONS a total of \$25,875.00. This amount represents 9% of the first \$250,000.00 (\$22,500) plus 4.5% of the remaining \$75,000.00 (\$3,375.00) which does not exceed a total Funding Commitment of \$500,000.00.

EXAMPLE: If the Funding Commitment awarded CUSTOMER for the Funding Year is \$700,000.00, the CUSTOMER shall pay ERATE SOLUTIONS a total of \$35,750.00. This amount represents 9% of the first \$250,000.00 (\$22,500.00) plus 4.5 % of the next \$250,000.00 (\$11,250.00) plus 1% of the remaining \$200,000.00 (\$2,000.00).

5.2. CUSTOMER shall pay to ERATE SOLUTIONS in one of the two following methods:

- (a) payment shall be received in full by ERATE SOLUTIONS within THIRTY(30) calendar days of CUSTOMER'S receipt of a Funding Commitment Decision Letter; or
- (b) CUSTOMER shall pay to ERATE SOLUTIONS in four (4) equal payments, the initial payment due within thirty (30) calendar days of CUSTOMER'S receipt of a Funding Commitment Decision Letter. Each of the remaining three (3) payments are due every ninety (90) days thereafter until the entire amount of the compensation is retired, but in no event, shall any amount of the compensation remain unpaid twelve (12)

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months after CUSTOMER'S receipt of a Funding Commitment Decision Letter.

5.3. If CUSTOMER elects to either cancel or reduce any of its FRN(s) values, then ERATE SOLUTIONS compensation will be calculated according to the total amount approved after taking the canceled or reduced FRN into account, provided that CUSTOMER'S election to cancel or reduce its FRN(s) values is made within THIRTY (30) days of the date on CUSTOMER'S funding commitment decision letter.

5.4. If CUSTOMER does not receive any funding under the USF then CUSTOMER is not obligated to pay ERATE SOLUTIONS any compensation for services rendered.

5.5. CUSTOMER knowingly and voluntarily agrees to pay as additional 2.5% of the current balance due in the event the payment due and owing hereunder is not paid by the due date indicated on the invoice. If such payment continues to remain past due in excess of THIRTY (30) days from the invoice due date, then such interest will be compounded monthly at 2.5% for each additional month in excess of THIRTY (30) days and accumulated until the total amount due plus accumulated interest is paid in full. In no event shall anything is the paragraph be construed as a penalty.

6. TERM OF CONTRACT

6.1. This Contract shall be for the Funding Year of **2014-2015** and shall be effective on the date first written above and continue until CUSTOMER has received the full discount that CUSTOMER is deemed eligible to receive by USAC or SLD in the form of a final decision for said Funding Year.

6.2. The payment obligations incurred under this Contract shall survive the termination or expiration of the term of this Contract.

7. CONFIDENTIALITY

CUSTOMER is prohibited from ever disclosing any of ERATE SOLUTIONS' trade secrets relating to or associated with the submission, application, and review process for the awarding of discounted services under the USF as administered by USAC or SLD which may be discovered or in any way become apparent under this contractual relationship.

8. SEVERABILITY

In the event a court of competent jurisdiction finds any provision of this contract to be contrary to state or federal law and thereby unenforceable, the remainder of this contract shall remain fully enforceable.

9. CHOICE OF LAW



In the event a dispute between the parties shall arise under this contract, the parties hereby agree to be bound by the applicable law and interpretations of that law in Kansas, except where superceded by federal law.

10. ENTIRE CONTRACT

This contract states the entire agreement between the parties, and there are no oral representations or understandings of any kind. Further, this contract may not be changed, altered, or modified except by a formal written agreement signed by the parties hereto.

IN WITNESS WHEREOF, ERATE SOLUTIONS and CUSTOMER signify their understanding and agreement with the terms hereof by affixing their signatures hereunto.

By (printed), **Toby Sykes**

By (printed), PATRICIA TUDHY

Title **Account Manager**

Title EXECUTIVE DIRECTOR

By, Toby Sykes

By, Patricia Tudhy

Date 11/04/2013

Date 11/04/2013

eRate Solutions, L.L.C.

CUSTOMER