

SAMPLE E-RATE RIDER

This Agreement entered into by <COMPANY NAME> and the <SCHOOL NAME> and effective as of the date last signed is an attachment to the accepted bid dated <DATE> between the parties.

1. **NO E-RATE FUNDING REQUIRED** [Agreement effective immediately; not dependent on funding.]

Customer desires that Services commence on or about July 1, 20XX. The Effective Date and/or the obligations of Customer and <COMPANY NAME> under the Agreement are not in any way dependent or contingent upon Customer's application for, or receipt of, any funding award from the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC"). In the event Customer applies for funding, Customer must notify <COMPANY NAME> within ten (10) business days of Customer's receipt of a Funding Commitment Decision Letter ("FCDL") from the SLD if funding has been awarded.

(Please sign below – Section 2. does not apply if Section 1. is checked)

2. **DEPENDENT ON E-RATE FUNDING** [Agreement may be terminated if funding is denied.]

1. Scope and Term. <COMPANY NAME> agrees to provide Customer services and/or products that Customer has determined are eligible for universal service discount as described in the bid attached. This Agreement remains in effect as long as <COMPANY NAME> is providing the Services or Customer is obligated to pay for such Services.

2. Eligibility of Products and Services: The identification of certain Services in the Agreement as "E-Rate Eligible" or "E-Rate Ineligible" for Universal Service is dependent on the determination of eligibility of Services by the findings of SLD and/or FCC as administrators of the E-Rate program. <COMPANY NAME> is not responsible for the outcome of these conclusions.

3. Payment for Services: Customer agrees (i) that if E-Rate funding for any Service(s) is denied or withdrawn in whole or in part, Customer is responsible for paying <COMPANY NAME> the full cost of such Service(s).

If the Universal Service Administrative Company ("USAC") seeks reimbursement of E-Rate funds due to Customer's failure to comply with the E-Rate regulations, including Customer delays in submitting required Forms or contracts; or, due to a decision by USAC that any approved Services are ineligible (other than as the result of <COMPANY'S> failure to comply with the E-Rate requirements), Customer shall reimburse <COMPANY NAME> for any funds <COMPANY NAME> must return to USAC within ninety (90) days of notice from USAC seeking reimbursement.

4. Requested Information. If requested, Customer will provide <COMPANY NAME> with copies of the following E-Rate-related materials (including all attachments): (i) Form 471 and Item 21 Attachments; if appropriate, (ii) Form 500; (iii) Service Substitution Request; and, (iv) Service Certification Form. If the Customer issues purchase orders, Customer shall clearly delineate between eligible and non-eligible Services on those orders.

5. Representations, Warranties and Indemnities. Each Party represents and warrants that it has or will comply with all laws and the requirements applicable to the E-Rate Program. Each Party agrees to indemnify and hold harmless the other Party (and its employees, officers, directors and agents) from and against all third party claims (including FCC or USAC claims) and related loss, liability, damage and expense (including reasonable attorney's fees) arising out of the indemnifying Party's violation of the E-Rate Requirements or breach of the representations, warranties, and terms contained in this Addendum.

If Section 1. , above, is checked, Customer should designate the intended funding method:

Billed Entity Application Reimbursement ("BEAR") – Form 472*

Service Provider Invoice form - ("SPI") – Form 474**

* Customer will file the Form 472 and certify that it has received and paid for Services in full and <COMPANY NAME> will remit the discounted portion to the customer within twenty (20) business days after receipt of payment from USAC.

** <COMPANY NAME> will file Form 474 ("SPI" form) after Services have been provided and Customer has notification of an approved Funding Commitment Decision Letter ("FCDL") and an approved Form 486. <COMPANY NAME> will then provide discounts on the Customer's bill. Customer also agrees to promptly submit any <COMPANY NAME> or SLD Forms needed to support requests for payment of Services rendered.

Non-appropriations of Funding

If, after the first fiscal year in which a particular Service acquired hereunder is installed, funds are not appropriated to continue paying for that particular Service in a subsequent fiscal year or universal service discounts are not received to enable Customer to pay for that particular Service in a subsequent fiscal year, then Customer may terminate that particular Service as of the last day for which funds were appropriated or universal service discounts were received ("Date of Termination"), without being subject to termination charges set forth in the applicable Agreement; provided, however; that (i) Customer shall be obligated to pay all charges incurred through the Date of Termination, plus any unrecovered nonrecurring charges which may be owed <COMPANY NAME> on the Date of Termination, (ii)

Customer shall use its best efforts to obtain funding or universal service discounts for the Service, (iii) Customer agrees not to obtain substantially similar service and/or equipment to replace those provided hereunder for a period equal to the remaining term for such Service under

this Agreement as of the Date of Termination, (iv) Customer shall exercise such right to terminate by delivery to <COMPANY NAME> of a 30 day written notice setting forth the reason for termination, and (v) within 30 days following the delivery of such written notice, Customer shall provide <COMPANY NAME> a legal opinion of counsel from Customer that no funds have been appropriated or otherwise made available for payments due under the Agreement and funds have not been made available for the acquisition of substantially similarly service and/or equipment to replace those provided hereunder.

SO AGREED by the Parties' respective authorized signatories:

<SCHOOL NAME>	<COMPANY NAME>
<i>Customer Signature:</i>	<COMPANY NAME> <i>Signature:</i>
Print Name:	Print Name:
Title:	Title:
Date:	Date: