

CONTRACT BETWEEN
THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA
AND
SELECT SPECTRUM LLC

This contract ("Contract") entered into this 17TH day of JULY, 2013, between THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA, a corporate body politic of the state of Florida, ("School Board") and SELECT SPECTRUM LLC., a Virginia limited liability corporation, located at 820 Great Cumberland Road, McLean, VA 22102, ("Contractor") to provide Educational Broadband Service Spectrum Excess Capacity Lease Marketing Services ("EBS Marketing Services").

SECTION I - Term of Contract

This Contract shall be for the term of one (1) year beginning July 17, 2013 (the "Effective Date") through July 16, 2014 (the "Expiration Date"). This Contract may be extended for two additional one (1) year terms upon mutual agreement of the parties. All terms, conditions, covenants and conditions of this Contract shall apply during the initial term and any renewal Term(s), if any. The Initial Term and all Renewal Term(s), if any, shall collectively be referred to as the "Term," under the same terms and conditions as set forth herein.

SECTION II - Services

The Contractor shall provide EBS Marketing Services set forth in Exhibit "A", attached hereto and as specified and as specified in Contractor's proposal, in response to RFP No. 13C-007C ("RFP"), which is incorporated herein by this reference. The RFP, all addenda issued to the RFP, if any; and any School District ordering or authorizing documents such as purchase orders are also made a part of this Contract. To the extent that any conflict exists between the provisions of this Contract and the documents incorporated by reference, the following order of precedence shall apply: 1) this Contract, 2) Contractor's response to the RFP, including any appendix and exhibits, 3) the RFP, including any addenda, and 4) any School District ordering or authorizing documents such as purchase orders.

SECTION III - Cost of Services

The Contractor shall be paid for services as set forth in Exhibit "B", attached hereto and made a part hereof.

SECTION IV - Assignment

Neither this Contract nor any interest herein may be assigned, transferred or encumbered by either party without the prior written consent of the other party. There shall be no partial assignments of this Contract including, without limitation, the partial assignment of any right to receive payments.

SECTION V - Indemnification/ Hold Harmless Agreement

Contractor shall, in addition to any other obligation to indemnify the School Board and to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the School Board, its agents, officers, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses), costs arising out of any actual or alleged ("Losses");

- A. bodily injury, sickness, disease or death, or injury to or destruction of tangible property including the loss of use resulting therefrom, or any other damage or loss arising out of, or claimed to have resulted in whole or in part from any actual or alleged act or omission of the contractor, subcontractor, anyone directly or indirectly employed by any of them, of anyone for whose acts any of them may be liable in the performance of the work; or
- B. violation of law, statute, ordinance, governmental administration order, rule or regulation by contractor in the performance of the work; or
- C. liens, claims or actions made by the contractor or any subcontractor or other party performing the work.
- D. claims by third parties (including, but not limited to, Contractor's employees or subcontractors) based upon an alleged breach by Contractor of any agreement with such third party (e.g., an employment agreement).

The indemnification obligations hereunder shall not be limited to any limitation on the amount, type of damages, compensation or benefits payable by or for the contractor of any subcontractor under workers' compensation acts; disability benefit acts, other employee benefit acts or any statutory bar.

Contractor recognizes the broad nature of this indemnification and hold harmless article, and voluntarily makes this covenant for good and valuable consideration provided by the School Board in support of this indemnification in accordance with the laws of the State of Florida. This article will survive the termination of this Contract.

SECTION VI - Insurance

Insurance will be required as stated below. The School Board shall be named as an additional insured. The Contractor shall provide the Certificate(s) of Insurance for required coverage within seven days of the date of request by the Purchasing Department but in any respect at least 30 days prior to the commencement of any Term.

- A. **WORKERS' COMPENSATION:** Contractor must comply with Chapter 440, F.S., Workers' Compensation and Employees' Liability Insurance with minimum statutory limits.
- B. **COMMERCIAL GENERAL LIABILITY:** Contractor shall procure and maintain, for the life of the contract, Commercial General Liability Insurance. This policy shall provide coverage for death, bodily injury, personal injury, products and completed operations liability and property damage that could arise directly or indirectly from the performance of the contract. It must be an occurrence form policy. **THE SCHOOL BOARD OF PALM BEACH COUNTY SHALL BE NAMED AS AN ADDITIONAL INSURED ON THE CERTIFICATE FOR COMMERCIAL GENERAL LIABILITY INSURANCE.**

The minimum limits of coverage shall be \$1,000,000 per occurrence, Combined, Single Limit for Bodily Injury Liability and Property Damage Liability.

- C. **BUSINESS AUTOMOBILE LIABILITY:** Contractor shall procure and maintain, for the life of the Contract, Business Automobile Liability Insurance. **THE SCHOOL BOARD OF PALM BEACH COUNTY SHALL BE NAMED AS AN ADDITIONAL INSURED ON THE CERTIFICATE FOR BUSINESS AUTOMOBILE LIABILITY INSURANCE.**

The minimum limits of coverage shall be \$1,000,000 per occurrence, Combined Single Limit for Bodily Injury Liability and Property Damage Liability. This coverage shall be an "Any Auto" form policy. The insurance must be an occurrence form policy.

In the event Contractor does not own any vehicles, the District will accept hired and non-owned coverage in the amounts listed above. In addition, the District will require an affidavit signed by Contractor indicating the following:

SELECT SPECTRUM LLC. does not own any vehicles. In the event, the company acquires any vehicles throughout the term of the contract, SELECT SPECTRUM LLC. agrees to purchase "Any Auto" coverage as of the date of acquisition.

- D. PROFESSIONAL LIABILITY:** The Contractor shall procure and maintain Professional Liability Insurance for the life of this Contract, plus two years after completion. This insurance shall provide coverage against such liability resulting from this contract. The minimum limits of coverage shall be \$10,000,000 with a deductible not to exceed \$1,000,000. The deductible shall be the responsibility of the Contractor.

This policy must be continued or tail coverage provided for two years after completion of the contract.

SECTION VII –Termination of Contract

The Board, reserves the right to terminate this Contract for convenience, at any time and for no reason, upon giving 30 days prior written notice to Contractor. If the Contract is terminated for convenience as provided herein prior to an Excess Capacity Lease being approved by the School Board, the School Board shall be relieved of all obligations under the Contract except the obligation to pay to Contractor the Minimum Fee as set forth in Exhibit "B". The Board will only be required to pay to the Contractor the portion of the Minimum Fee based on the number of hours actually performed prior to the date of termination. The Contractor shall not be entitled under any theory to payment for work not actually performed or lost profits.

If the Contractor materially breaches its obligations under this Contract, the School Board will provide written notice of the deficiency by forwarding a cure notice citing the specific nature of the material breach. The Contractor shall have thirty (30) days to cure the breach. If the Contractor fails to cure the breach within the thirty (30) day period, the School Board shall issue a Termination for Default Notice. Once the School Board has notified the Contractor that it has materially breached its Contract with the School Board, by sending a Termination for Default Notice, the School Board shall determine whether the Contractor should be suspended from doing future work with the School Board, and if so, for what period of time. The School Board will consider the seriousness of the breach in making a determination as to whether a Contractor should be debarred, and if so, for what period of time. Should the School Board terminate for default in accordance with this provision, the School Board shall be entitled to recover reprourement costs in addition to all other remedies under law and/or equity. For purposes of this Section, a "material breach" shall be defined as any substantial, unexcused non-performance by failing to perform an act that is an important part of the transaction or performing an act inconsistent with the terms and conditions of the Contract.

The Contractor shall have the option to terminate the Contract upon written notice to the Director of Purchasing. Such notice must be received at least 90 days prior to the effective date of termination. Early termination of the Contract by the Contractor may result in removal from bidders/responder list and may result in Contractor being debarred as set forth in Section XI.

SECTION VIII -

Funding Out

The performance by the School Board of its obligations under this Contract shall be subject to and contingent upon the availability of funds appropriated by the School Board for each year of this Contract. In the event the School Board does not approve funding for any subsequent fiscal year, this Contract shall terminate upon expenditure of the current funding, notwithstanding other provisions in this Contract to the contrary. The School Board will notify the Contractor in writing after the adoption of the final School Board budget for each subsequent fiscal year if funding is not approved for this Contract.

SECTION IX – Jessica Lunsford Act

All Contract personnel (vendors, individuals, or entities) under contract with the School Board who are permitted access on school grounds when students are present, who may have direct contact with any student of the School Board, or who may have access to or control of school funds must be fingerprinted and background checked. The Contractor agrees to undergo a background check and fingerprinting if he/she is an individual who meets any of the above conditions and to require that all individuals in the organization who meet any of the conditions to submit to a background check, including fingerprinting by the School District's Police Department, at the sole cost of the Contractor. Contractor shall not begin providing services contemplated by this Contract until Contractor receives notice of clearance by the School Board. The School Board, nor its members, officers, employees, or agents, shall not be liable under any legal theory for any kind of claim whatsoever for the rejection of Contractor (or discontinuation of Contractor's services) on the basis of these compliance obligations. Contractor agrees that neither the Contractor, nor any employee, agent or representative of the Contractor who has been convicted or who is currently under investigation for a crime delineated in Florida Statutes §435.04 will be employed in the performance of this contract.

SECTION X - Default

The parties agree that, in the event either party is in default of its obligations under this Contract, the non-defaulting party shall provide to the defaulting party thirty (30) days written notice to cure the default. In the event the defaulting party fails to cure the default within the thirty (30) day cure period, the non-defaulting party shall be entitled to seek any remedy available to it at law or equity, including, but not limited to, the right to terminate this Contract and seek damages, if any. As a condition precedent to a party bringing any suit for breach of this Contract, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The existence of a dispute shall not excuse the parties from performance pursuant to this Contract. This remedy is supplemental to any other remedies available at law.

SECTION XI - Debarment

The School Board shall have the authority to debar the Contractor for cause from consideration or award of future contracts. The debarment shall be for a period commensurate with the seriousness of the causes, generally not to exceed three (3) years. When the offense is willful or blatant, a longer term of debarment may be imposed, up to an indefinite period.

SECTION XII – Commercial Non-Discrimination

Contractor shall not discriminate on the basis of race, gender, gender identity or expression, religion, national origin, ethnicity, sexual orientation, age, or disability in the solicitation, selection, hiring, or treatment of subcontractors, vendors, suppliers, or commercial customers. Contractor shall provide equal opportunity for subcontractors to participate in all of its public sector and private sector subcontracting opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that has occurred or is occurring in the marketplace, such as those specified in Palm Beach County School Board Policy 6.143. Contractor understands and agrees that violation of this clause is a material breach of contract and may result in contract termination, debarment, or other sanctions.

Upon the School District's request, and upon the filing of a complaint against Contractor pursuant to Palm Beach County School Board Policy No. 6.144, Contractor agrees to provide the School District, within sixty calendar days, a truthful and complete list of the names of all subcontractors, vendors, and suppliers that Contractor has used in the past five years on any of its contracts that were undertaken within the Palm Beach School District relevant geographic market as defined in Palm Beach County School Board Policy No. 6.143, including the total dollar amount paid by Contractor for each subcontract or supply contract. Contractor agrees to fully cooperate in any investigation conducted by the School District pursuant to this Policy. Contractor understands and agrees that violation of this clause is a material breach of the contract and may result in contract termination, debarment, and other sanctions.

SECTION XIII - Amendment

No modification, amendment, or alteration in the terms or conditions contained in this Contract shall be effective unless contained in a written document prepared with the same or similar formality as this Contract and executed on behalf of each party hereto.

SECTION XIV - Miscellaneous

Any costs or expenses (including reasonable attorney's fees) associated with the enforcement of the terms and conditions of this Contract shall be borne by the respective parties; provided, however, that this clause pertains only to the parties to the Contract.

Each person signing this Contract on behalf of either party individually warrants that he or she has full legal power to execute this Contract on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Contract.

This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

The captions, section numbers, article numbers, title and headings appearing in this Contract are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such articles or sections of this Contract, nor in any way effect this Contract and shall not be construed to create a conflict with the provisions of this Contract.

Each party shall comply with all applicable federal and state laws, codes, rules and regulations in performing its duties, responsibilities and obligations pursuant to this Contract.

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Contract that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

Exhibits attached hereto and referenced herein shall be deemed to be incorporated into this Contract by reference.

The parties expressly acknowledge that it is not their intent to create or confer any rights or obligations in or upon any third person or entity under this Contract. None of the parties intend to directly or substantially benefit a third party by this Contract. The parties agree that there are no third party beneficiaries to this Contract and that no third party shall be entitled to assert a claim against any of the parties based upon this Contract. Nothing herein shall be construed as consent by an agency or political subdivision of the State of Florida to be sued by third parties in any matter arising out of any contract.

When any of the parties desire to give notice to the other, such notice must be in writing, sent by U.S. Mail, postage prepaid, addressed to the party for whom it is intended at the place last specified; the place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

To School Board: Keith Oswald, Assistant Superintendent, Curriculum and Learning Support
The School District of Palm Beach County
3300 Forest Hill Blvd., Suite C-201
West Palm Beach, FL 33406

With a Copy to: General Counsel
P.O. Box 19239
West Palm Beach, FL 33416-9239

To Contractor: Robert Finch, President
Select Spectrum LLC
820 Great Cumberland Road
McLean, VA 22102

The Contractor shall retain all records (papers, books, documents, data, computer hard drives, emails, etc.) relating to or created as a result of this Contract for the longer of: 1) five years after the expiration or termination of the Contract; 2) after the resolution or conclusion of an audit or litigation relating to the Contract; or 3) the period required by the Palm Beach County School District's Record Retention Schedule compiled from the State of Florida General Records Schedule and District-specific record series and available at: <http://www.palmbeachschools.org/records/documents/RecordsRetentionSchedule.pdf>, which may be amended from time to time. The Contractor has an ongoing obligation to monitor the retention schedule applicable to all records relating to or created as a result of the Contract. Each party shall be responsible for compliance with any public documents request served upon it pursuant to section 119.07, Florida Statutes, and any resultant award of attorney's fees for non-compliance with that law.

The Contractor shall ensure that any electronic data that it receives from or collects on behalf of the School Board that will be stored in the cloud or in a data center, will be maintained and stored within the continental United States in a location that has appropriate infrastructure and security obligations and practices (business continuity, encryption, firewalls, physical security, etc.) that will minimize privacy or security breaches or the likelihood that the data will be at risk of being compromised. The Contractor shall ensure that the School Board's data will only be accessed by Contractor's employees, subcontractors, or agents who have a legitimate basis for accessing such data.

Contractor agrees and understands that the School Board's Office of Inspector General shall have immediate, complete and unrestricted access to all papers, books, records, documents, information, personnel, processes, data, computer hard drives, emails, instant messages, facilities or other assets owned, borrowed, or used by the Contractor, as deemed necessary in performing investigative and/or audit activities and other requested information, including automated or electronic data, pertaining to this Contract within the Contractor's custody. Contractor shall cooperate with the Inspector General by providing access to all financial and performance-related records, services, property and equipment purchased in whole or in part with School Board funds, in accordance with School Board Policy 1.092.

In the event any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, unlawful, unenforceable or void in any respect, the invalidity, illegality, unenforceability or unlawful or void nature of that provision shall not affect any other provision and this Contract shall be considered as if such invalid, illegal, unlawful, unenforceable or void provision had never been included herein.

The Contractor is, for all purposes arising under this Contract, an independent contractor. The Consultant and its officers, agents or employees may not, under any circumstances, hold themselves out to anyone as being officers, agents or employees of the School Board. No officer, agent or employee of the Contractor or School Board shall be deemed an officer, agent or employee of the other party. Contractor, its officers, agents and employees, shall not be entitled to any benefits to which employees of the School Board are entitled, including, but not limited to, overtime, retirement benefits, workers compensation benefits, injury leave, or other leave benefits.

All reports, studies, information, data, statistics, forms, designs, plans procedures, systems, and other materials produced by the Contractor under this Contract shall be the sole and exclusive property of the School Board. No such materials produced, either in whole or part, under this Contract shall be subject to private use, copyright or patent right by the Contractor in the United States or in any other country without the express written consent of the School Board. The School Board shall have unrestricted authority to publish, disclose, distribute and otherwise use, copyright or patent any such materials produced by the Contractor under this Contract.

The failure of either party to insist on strict performance of any covenant or conditions herein shall not be construed as a waiver of such covenants or conditions for any instance.

This Contract shall be construed in accordance with the laws of the State of Florida, without regard to conflict of laws provisions.

If any litigation shall result from this Contract, the parties shall submit to the jurisdiction of the State Courts of the 15th Judicial Circuit and venue shall lie in Palm Beach County, Florida.

This Contract shall not be construed against the party who drafted the same as both parties have had experts of their choosing review the same.

This Contract is binding on the parties hereto, their heirs, successor and/or assigns.

SECTION XV – Waiver Of Jury Trial

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS CONTRACT.

SECTION XVI - Warranties of Contractor

The Contractor represents and warrants that no officer, employee or agent of the School Board has any personal interest, either directly or indirectly, in the Contractor. The Contractor further represents and warrants to the School Board that it has not employed or retained any person, company, corporation, individual or firm (other than a bona fide employee working solely for the Contractor) or agreed to pay any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the making of this Contract, and it has not agreed, as an express or implied condition for obtaining this Contract, to employ or retain the services of any person, company, corporation, individual or firm in connection with carrying out this Contract.

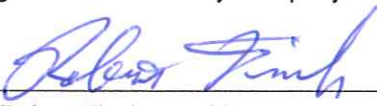
SECTION XVII - Replacement of Firm,s Staff

All key personnel assigned by the firm will be clearly identified at the initiation of this Contract. The replacement of any key staff assigned to work with the School Board is subject to approval by the School Board prior to any change occurring. Individuals replacing key personnel must have credentials equivalent

or superior to the individuals whom they replace. Resumes of replacement personnel are to be submitted to the School Board for review and the School Board reserves the right to interview and or reject any proposed change(s) in staff for the duration of this Contract.

In witness whereof, this contract has been executed on the day and year first above written.

SELECT SPECTRUM LLC.
a Virginia Limited Liability Company

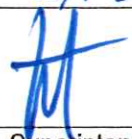
BY: 
Robert Finch, President

Date: 6/11/13

THE SCHOOL BOARD OF PALM BEACH COUNTY,
FLORIDA

BY: 
Chuck Shaw, Chairman

Date: 7/22/13

Attest: 
E. Wayne Gent, Superintendent

Reviewed and Approved for Form and Legal Sufficiency:

DATE: 6/11/13

BY:  6/11/13
School Board Attorney

EXHIBIT "A"
SCOPE OF WORK

The marketing and support services associated with the solicitation and negotiation of an excess capacity EBS lease shall include, but not be limited to the following:

1. Provide geographic service area (GSA) maps and population calculations for each EBS license or channel, where individual channels have different GSAs.
2. Provide marketing materials suitable for inclusion with the excess capacity lease solicitation.
3. Provide contacts with commercial service providers who would potentially be interested in bidding for the excess capacity lease and work with these parties to market the lease. Contractor shall, upon request of the School Board, provide the School Board with copies of all correspondence, emails, contact logs or other documents evidencing Contractor's communications with entities potentially interested in bidding for the excess capacity lease.
4. Coordinate with other EBS licensees seeking to enter into excess capacity leases to maximize the value offered to the School Board for a lease of its excess capacity lease.
5. At the request of School Board staff, assist in the analysis of lease offers received and negotiations with potential lessees.
6. Prepare a financial analysis of the lease offers received.
7. Other reasonable tasks requested by School Board staff associated with maximizing the value offered to the School Board for a lease of its EBS license excess capacity.

EXHIBIT "B"
FEE SCHEDULE

Contingent Incremental Success Fee.

The proposed Fee structure is based on a Contingent Incremental Success Fee "CISF" structure as detailed below:

- A. If the School Board decides to proceed with a lease, Select Spectrum will be entitled to receive a CISF equal to ten percent (10.0 %) of amount by which the Net Present Value ("NPV") of the consideration in any fully executed and FCC approved lease agreement(s) for the licenses leased by the School Board exceeds the threshold amount of \$0.1650 per MHz-POP, up to a maximum of 1.40 percent (1.40%) of the NPV, with an absolute dollar maximum of Five Hundred Thousand Dollars (\$500,000). Select Spectrum believes that without Select Spectrum's assistance, the School Board could achieve an excess capacity lease of approximately \$0.130 per MHz-POP. Schedule A provides the calculations for the MHz POPs for each of the licenses held by the School Board. With the threshold set at \$0.1650 per MHz-POP, Select Spectrum will not be entitled to a CISF unless the lease value achieved is more than 25% above Select Spectrum's estimate of current market value for the School Board's EBS spectrum licenses.
- B. **The NPV shall be calculated by Select Spectrum using the method shown in Attachment 1.** The NPV shall include all cash consideration; including future lease payments assumed by the buyer or lessee; plus the estimated equivalent value of other consideration from the perspective of the School Board. As an example, if the lease calls for services to be provided by the lessee to the School Board, the services shall be valued at 50% of their retail value at the inception of the lease, and also discounted according to the NPV calculation. The discount rate used to evaluate future payments will be 10% per annum. Monthly payments will be allocated according to the half yearly convention – that is half of the monthly value will be treated as if received at the beginning of the year and the other half will be treated as if received at the end of the year.
- C. Following the signature of an EBS excess capacity lease, Select Spectrum will submit this calculation to the School Board for verification and the School Board will confirm the calculation or promptly identify any portions of the calculation it finds inappropriate. The Parties will work in good faith to promptly resolve any calculation differences.
- D. Select Spectrum shall be due a CISF only if the agreed lease has a NPV rate greater than sixteen and one-half cents (\$0.1650) per MHz-POP as calculated and verified above. The CISF shall be calculated to equal 10.0 percent of the difference between the actual NPV of the signed lease and the threshold NPV of \$0.1650 per MHz-POP. As an upper limit, the CISF shall never equal more than 1.40 percent (1.40%) of the total NPV of the lease or leases completed with an absolute dollar maximum of Five Hundred Thousand Dollars (\$500,000) as result of this process. **Attachments 2, 3, 4 and 5**

provide examples of the calculation of the CISF in the cases where the lease value is calculated to be approximately \$0.2200, \$0.1650, \$0.1750 and \$0.5000 per MHz-POP to show various cases of how the Fee will be calculated.

- E. Schedules B1 and B2 describe the calculation that adjusts the CISF if the maximum term of the lease is less than 30 years.
- F. If, after prospective lessees have submitted bids as described in the "Bid Collection and Term and Pricing Negotiation Process" section of Contractor's Proposal, this Contract expires and is not renewed by the School Board (or is terminated for convenience prior to expiration), then Select Spectrum shall be entitled to collect a Fee as defined herein for any EBS excess capacity lease that is successfully completed within 12 months of the Contract expiration or termination.
- G. The parties recognize that the transaction may be documented through a single lease for multiple spectrum licenses or through multiple separate leases. In this Contract, the term "lease" may also apply to multiple leases and the term "leases" may also refer to a single lease.
- H. The CISF shall be paid directly according to the following schedule:
 - a. 40% of the CISF shall be due immediately when the School Board receives its first payment from the new lessee. Where possible according to School Board rules and School Board management judgment during the negotiation of the lease, the School Board shall attempt to negotiate a lease that provides for this payment to be made directly from the lessee to Select Spectrum.
 - b. The remaining 60% of the CISF shall be paid as follows:
 - i. 20% of the CISF on the first annual anniversary of the first payment from the lessee to the School Board,
 - ii. 20% of the CISF on the second annual anniversary of the first payment from the lessee to the School Board, and
 - iii. 20% of the CISF on the third annual anniversary of the first payment from the lessee to the School Board.
 - c. If the lessee has ceased payments to the School Board before the any of the payment dates above, then the School Board shall not be liable for any subsequent payments to Select Spectrum until such time as lessee again begins to make its payments due to the School Board. If the lease is terminated due to lessee default, then the School Board will owe no further payments to Select Spectrum after the date of the lease termination.

While the CISF is not calculated according to hours worked, Select Spectrum will track the time it spends specifically working on the marketing and lease completion efforts for the School Board. In lieu of the CISF, the School Board may be required to pay Select Spectrum a Minimum Hourly Fee ("MHF"), but only if one of two situations occurs. Those situations are:

1. If the School Board decides to accept a lease offer and completes a lease and the CISF due to Select Spectrum would be zero or less than the Minimum Hourly Fee calculated as described below, or
2. If the School Board decides to terminate the Spectrum Marketing Agreement with Select Spectrum without Cause or for convenience as defined in the RFP 13C-007C.

The MHF shall be equal to the lesser of: a). \$240.00 per hour multiplied by the number of hours that Select Spectrum expends on the project plus its actual payments to its subcontractors who work on the project (subcontractor's payments shall not exceed \$175/hour and a total of \$2,000); or b.) \$24,000. Select Spectrum anticipates that it will spend between 70 and 160 hours on this project assuming the project moves to completion. If the project or the Spectrum Marketing Agreement terminates prior to completion of a lease, the hours will be fewer. In case 1.) above, the MHF will be due in full upon School Board's receipt of first payment from the lessee, and in case 2.) above, the MHF will be due in full within 30 days of termination by the District.

For clarity, the total Fee due to Select Spectrum shall be the greater of either the CISF if the CISF requirements have been met or the MHF if the MHF requirements have been met, and not the sum of both Fees. In the case of termination for Cause as defined in this Contract or RFP 13C-007C or because of the passage of the expiration date under this Contract and with no lease being completed with a bidding party or affiliate within the following 12 months, then the total Fee shall be zero.

In addition to the Fees set forth above, Select Spectrum will also be entitled to reimbursement, in accordance with applicable School Board policies, for any travel expenses for travel that is pre-approved by an authorized representative of the School Board. One or two trips to meet with management from the School Board or to prospective lessee offices may be recommended by Select Spectrum, but Select Spectrum does not anticipate that extensive travel will be required. In the event that Select Spectrum's travel is for the benefit of other Select Spectrum's clients in addition to School Board, the reimbursement of travel expenses shall be appropriately pro-rated and allocated among the benefited clients.

Schedule A

MHZ-POPs by Call Sign

School Board of Palm Beach County EBS Licenses

Call Sign	Channels	GSA Center Point	Total MHz	Low Power MHz	High Power Video MHz	Total POPs * (Source K&G-2006)	Update to 2011 POPs* Factor =	Total 2006 MHz/POPs	Total 2011 MHz/POPs	2006 Total MHz- Pops Less 5% Required Reserved Capacity	2011 Total MHz- Pops Less 5% Required Reserved Capacity
KZB28	A1-A4	Belle Glade	22.5	16.5	6	377,530	406,172	8,494,425	9,138,860	8,069,704	8,681,917
WQIZ681	A4	% of 30 Year	6	0	6	1,006,432	1,082,786	6,038,592	6,496,713	5,736,662	6,171,878
KHU90	E4	NPV Achieved	6	0	6	1,987,228	2,137,990	11,923,368	12,827,941	11,327,200	12,186,544
KZB29	G1-G4	Riviera Beach	22.5	16.5	6	1,026,048	1,103,890	23,086,080	24,837,519	21,931,776	23,595,643
KZB30	H1-H2	West Palm Beach	11	11	0	1,636,858	1,761,039	18,005,438	19,371,431	17,105,166	18,402,860
KZB30	H3	West Palm Beach	5.5	5.5	0	1,737,596	1,869,420	9,556,778	10,281,809	9,078,939	9,767,718
Total	All	All	73.5	49.5	24.0	7,771,692	8,361,296	77,104,681	82,954,274	73,249,447	78,806,560

* POPs figures are based on 2006 Census Data prepared by Kessler & Gehman Dated 11-14-2011

** 2011 POPs estimates are the latest available on a "by county" basis

Palm Beach County - All

2000 Population (Source: US Census Bureau)	1,131,184	Population Growth - 2010-2011	
2010 Population (Source: US Census Bureau)	1,320,134	2010	1,320,134
Ten Year Growth	16.704%	2011	1,335,187
Annual Growth assuming consistent exponential		Difference	
Through 2010		2011-2010	15,053
Year		Percent	1.14%
2000	1,131,184	Population Growth - 2006-2011 =	
2001	1,148,793	2006	1,241,035
2002	1,166,676	2011	1,335,187
2003	1,184,837	Difference	
2004	1,203,281	2011-2006	94,152
2005	1,222,012	Percent	7.59%
2006	1,241,035		
2007	1,260,354		
2008	1,279,974		
2009	1,299,899		
2010	1,320,134		
2011	1,335,187		

2011 Pop figure is from Census Bureau Estimates

Attachment 1: Value of School District of Palm Beach County EBS Spectrum - \$0.130 Example

Confidential

NPV Calculations Example Leases SDPBC - \$0.130 per MHz POP

MHz-POPs calculated as shown in Schedule 1

Figures Shown Assume All Six SDPBC EBS Licenses Are Leased

Dollar estimates developed by Select Spectrum

Initial Cash / month
Annual Increase
Svcs: 50 acents

\$58,907
3.0%
\$2,000

Cash (\$)	Total Services (\$)	Total Annual	50.00% services	Cash + 50% svcs (\$)	Term Yr.	Upfront Pymnt	\$1,000,000					
706,884	24,000	730,884	12,000	718,884	1	Total Estimate of MHz POPs for Multiple Licenses [4]						
728,091	24,000	752,091	12,000	740,091	2	NPV Range	Disc. Rate	*NPV	\$/MHz--POP	78,806,560		
749,933	24,000	773,933	12,000	761,933	3	Undiscounted	0.00%	\$34,990,300	0.444			
772,431	24,000	796,431	12,000	784,431	4	Discount Rate	10.00%	\$10,247,095	0.1300	\$0.1650		
795,604	24,000	819,604	12,000	807,604	5	MHz POPs				\$13,003,082		
819,472	24,000	843,472	12,000	831,472	6	Threshold NPV per MHz POP						
844,056	24,000	868,056	12,000	856,056	7	Threshold NPV						
869,378	24,000	893,378	12,000	881,378	8	* NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year						
895,460	24,000	919,460	12,000	907,460	9							
922,323	24,000	946,323	12,000	934,323	10							
949,993	24,000	973,993	12,000	961,993	11	Example NPV-Threshold NPV Difference is negative, therefore CISF = 0 CISF						
978,493	24,000	1,002,493	12,000	990,493	12							
1,007,848	24,000	1,031,848	12,000	1,019,848	13							
1,038,083	24,000	1,062,083	12,000	1,050,083	14	*note that in this case, the value of the lease is significantly below the Threshold value, and therefore the District would likely not execute any lease and no CISF would be payable. A MHF would apply only if the District did complete a lease or terminated the Spectrum Marketing agreement early or for Convenience. MHF = hours worked x \$240 with a maximum of \$24,000.						
1,069,225	24,000	1,093,225	12,000	1,081,225	15							
1,101,302	24,000	1,125,302	12,000	1,113,302	16							
1,134,341	24,000	1,158,341	12,000	1,146,341	17	Total Annual Amounts						
1,168,372	24,000	1,192,372	12,000	1,180,372	18							
1,203,423	24,000	1,227,423	12,000	1,215,423	19							
1,239,525	24,000	1,263,525	12,000	1,251,525	20							
1,276,711	24,000	1,300,711	12,000	1,288,711	21							
1,315,012	24,000	1,339,012	12,000	1,327,012	22							
1,354,463	24,000	1,378,463	12,000	1,366,463	23							
1,395,097	24,000	1,419,097	12,000	1,407,097	24							
1,436,950	24,000	1,460,950	12,000	1,448,950	25							
1,480,058	24,000	1,504,058	12,000	1,492,058	26							
1,524,460	24,000	1,548,460	12,000	1,536,460	27							
1,570,194	24,000	1,594,194	12,000	1,582,194	28							
1,617,299	24,000	1,641,299	12,000	1,629,299	29							
1,665,818	24,000	1,689,818	12,000	1,677,818	30							
33,630,300	720,000	34,350,300	360,000	33,990,300	Total Annual Amounts							
34,630,300	720,000			34,990,300	Total with upfront							

Notes:

[1] NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year and is based on a 10% annual discount rate

[2] There shall be no discount applied to upfront payments to be made at or within 30 days of lease commencement

[3] Any One-Time payments will be discounted according to their contracted date.

For example a one-time payment to be made at the end of the third (or beginning of the fourth) year

would be discounted according to formula: Amount divided by ((1+0.10)^3)

[4] SDPBC and Select Spectrum have agreed on MHz-POPs estimates for the licenses offered for lease. If for some reason only a portion of the offered licenses are leased, then the thresholds shall all be adjusted by the percentage difference between the MHz-POPs leased according to the MHz-POPs By Call Sign Spreadsheet and the total MHz POPs shown above. In equation form this is: Revised Threshold = \$13,003,082 * total leased MHz-POPs/78,806,560

[5] Input cells that must be filled with actual lease figures to reflect the final lease agreement in order to correctly calculate the NPV and CISF are highlighted with a shaded background

Attachment 2: Value of School District of Palm Beach County EBS Spectrum - \$0.220 Example

Confidential

NPV Calculations Example Leases SDPBC - \$0.220 per MHz POP

MHz-POPs calculated as shown in Schedule 1

Figures Shown Assume All Six SDPBC EBS Licenses Are Leased

Dollar estimates developed by Select Spectrum

Initial Cash / month \$101,450
Annual Increase 3.0%
Svcs: 50 acnts \$2,000

Cash (\$)	Total Services (\$)	Total Annual	50.00% services	Cash + 50% svcs (\$)	Term Yr.	Upfront Pymnt	Total Estimate of MHz POPs for Multiple Licenses				\$1,500,000
1,217,400	24,000	1,241,400	12,000	1,229,400	1		NPV Range	Disc. Rate	NPV	\$/MHz-POP	
1,253,922	24,000	1,277,922	12,000	1,265,922	2				(See Notes)		
1,291,540	24,000	1,315,540	12,000	1,303,540	3						
1,330,286	24,000	1,354,286	12,000	1,342,286	4		Undiscounted	0.00%	\$59,778,311	0.759	
1,370,194	24,000	1,394,194	12,000	1,382,194	5		Discount Rate	10.00%	\$17,339,621	0.2200	
1,411,300	24,000	1,435,300	12,000	1,423,300	6						
1,453,639	24,000	1,477,639	12,000	1,465,639	7		MHz POPs				78,806,560
1,497,248	24,000	1,521,248	12,000	1,509,248	8		Threshold NPV per MHz POP				\$0.1650
1,542,166	24,000	1,566,166	12,000	1,554,166	9		Threshold NPV				\$13,003,082
1,588,431	24,000	1,612,431	12,000	1,600,431	10						
1,636,084	24,000	1,660,084	12,000	1,648,084	11		Example NPV-Threshold NPV				\$4,336,539
1,685,166	24,000	1,709,166	12,000	1,697,166	12						
1,735,721	24,000	1,759,721	12,000	1,747,721	13		CISF based on threshold				\$433,654
1,787,793	24,000	1,811,793	12,000	1,799,793	14		Max CISF				500,000
1,841,427	24,000	1,865,427	12,000	1,853,427	15		Maximum CISF based on NPV Times			1.40%	242,755
1,896,670	24,000	1,920,670	12,000	1,908,670	16		CISF in this case				\$242,755
1,953,570	24,000	1,977,570	12,000	1,965,570	17						
2,012,177	24,000	2,036,177	12,000	2,024,177	18						
2,072,542	24,000	2,096,542	12,000	2,084,542	19						
2,134,718	24,000	2,158,718	12,000	2,146,718	20						
2,198,760	24,000	2,222,760	12,000	2,210,760	21						
2,264,723	24,000	2,288,723	12,000	2,276,723	22		CISF Payout				
2,332,664	24,000	2,356,664	12,000	2,344,664	23		At first lessee payment			40%	97,102
2,402,644	24,000	2,426,644	12,000	2,414,644	24		1st yearly anniversary of 1st lessee pymnt			20%	48,551
2,474,724	24,000	2,498,724	12,000	2,486,724	25		2nd yearly anniversary of 1st lessee pymnt			20%	48,551
2,548,965	24,000	2,572,965	12,000	2,560,965	26		3rd yearly anniversary of 1st lessee pymnt			20%	48,551
2,625,434	24,000	2,649,434	12,000	2,637,434	27		Total				242,755
2,704,197	24,000	2,728,197	12,000	2,716,197	28						
2,785,323	24,000	2,809,323	12,000	2,797,323	29						
2,868,883	24,000	2,892,883	12,000	2,880,883	30						
57,918,311	720,000	58,638,311	360,000	58,278,311	Total Annual Amounts						
59,418,311	720,000			59,778,311	with upfront						

Notes:

- [1] NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year and is based on a 10% annual discount rate
- [2] There shall be no discount applied to upfront payments to be made at or within 30 days of lease commencement
- [3] Any One-Time payments will be discounted according to their contracted date.
For example a one-time payment to be made at the end of the third (or beginning of the fourth) year would be discounted according to formula: Amount divided by ((1+0.10)^3)
- [4] SDPBC and Select Spectrum have agreed on MHz-POPs estimates for the licenses offered for lease. If for some reason only a portion of the offered licenses are leased, then the thresholds shall all be adjusted by the percentage difference between the MHz-POPs leased according to the MHz-POPs By Call Sign Spreadsheet and the total MHz POPs shown above. In equation form this is: Revised Threshold = \$13,003,082 * total leased MHz-POPs / 78,806,560
- [5] Input cells that must be filled with actual lease figures to reflect the final lease agreement in order to correctly calculate the NPV and CISF are highlighted with a shaded background

Attachment 3: Value of School District of Palm Beach County EBS Spectrum - \$0.1650 Example

Confidential

NPV Calculations Example Leases SDBPC - \$0.1650 per MHz POP

MHz-POPs calculated as shown in Schedule 1

Figures Shown Assume All Six SDBPC EBS Licenses Are Leased

Dollar estimates developed by Select Spectrum

Initial Cash / month
Annual Increase
\$ves: 50 acents

Cash (\$)	Total Services (\$)	Total Annual	50.00% services	Cash + 50% svcs (\$)	Term Yr.	Upfront Pymnt	Total Estimate of MHz POPs for Multiple Licenses	
901,200	24,000	925,200	12,000	913,200	1			78,806,560
928,236	24,000	952,236	12,000	940,236	2			
956,083	24,000	980,083	12,000	968,083	3			
984,766	24,000	1,008,766	12,000	996,766	4			
1,014,309	24,000	1,038,309	12,000	1,026,309	5			
1,044,738	24,000	1,068,738	12,000	1,056,738	6			
1,076,080	24,000	1,100,080	12,000	1,088,080	7			
1,108,362	24,000	1,132,362	12,000	1,120,362	8			
1,141,613	24,000	1,165,613	12,000	1,153,613	9			
1,175,862	24,000	1,199,862	12,000	1,187,862	10			
1,211,137	24,000	1,235,137	12,000	1,223,137	11			
1,247,472	24,000	1,271,472	12,000	1,259,472	12			
1,284,896	24,000	1,308,896	12,000	1,296,896	13			
1,323,443	24,000	1,347,443	12,000	1,335,443	14			
1,363,146	24,000	1,387,146	12,000	1,375,146	15			
1,404,040	24,000	1,428,040	12,000	1,416,040	16			
1,446,161	24,000	1,470,161	12,000	1,458,161	17			
1,489,546	24,000	1,513,546	12,000	1,501,546	18			
1,534,233	24,000	1,558,233	12,000	1,546,233	19			
1,580,260	24,000	1,604,260	12,000	1,592,260	20			
1,627,667	24,000	1,651,667	12,000	1,639,667	21			
1,676,497	24,000	1,700,497	12,000	1,688,497	22			
1,726,792	24,000	1,750,792	12,000	1,738,792	23			
1,778,596	24,000	1,802,596	12,000	1,790,596	24			
1,831,954	24,000	1,855,954	12,000	1,843,954	25			
1,886,913	24,000	1,910,913	12,000	1,898,913	26			
1,943,520	24,000	1,967,520	12,000	1,955,520	27			
2,001,826	24,000	2,025,826	12,000	2,013,826	28			
2,061,880	24,000	2,085,880	12,000	2,073,880	29			
2,123,737	24,000	2,147,737	12,000	2,135,737	30			
42,874,965	720,000	43,594,965	360,000	43,234,965	Total Annual Amounts			
44,124,965	720,000			44,484,965	with upfront			

Notes:

[1] NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year and is based on a 10% annual discount rate

[2] There shall be no discount applied to upfront payments to be made at or within 30 days of lease commencement

[3] Any One-Time payments will be discounted according to their contracted date,

For example a one-time payment to be made at the end of the third (or beginning of the fourth) year

would be discounted according to formula: Amount divided by ((1+0.10)^3)

[4] SDBPC and Select Spectrum have agreed on MHz-POPs estimates for the licenses offered for lease. If for some reason only a portion of the offered licenses are leased, then the thresholds shall all be adjusted by the percentage difference between the MHz-POPs leased according to the MHz-POPs by Call Sign Spreadsheet and the total MHz POPs shown above. In equation form

this is: Revised Threshold = \$13,003,082 * total leased MHz-POPs/78,806,560

[5] Input cells that must be filled with actual figures to reflect the final lease agreement in order to correctly

calculate the NPV and CISF are highlighted with a shaded background

* note that in this case, the value of the lease very slightly exceeds the Threshold value; therefore, the MHF rather than the CISF would apply. MHF = hours worked x \$240 with a maximum of \$24,000.

78,806,560
\$0.1650
\$13,003,082

\$3,304

\$330

Attachment 4: Value of School District of Palm Beach County EBS Spectrum - \$0.1750 Example

Confidential

NPV Calculations Example Leases SDPBC - \$0.1750 per MHz POP

MHZ-POPs calculated as shown in Schedule 1

Figures Shown Assume All Six SDPBC EBS Licenses Are Leased

Dollar estimates developed by Select Spectrum

Figures Shown Assume All Six SDPBC EBS Licenses Are Leased						
Dollar estimates developed by Select Spectrum						
Initial Cash / month Annual Increase Svcs: 50 acnts	Cash	Total Services	50.00% services	Cash + 50% svcs	Term Yr.	Upfront Pymnt
	(\$)	(\$)	Annual	(\$)		\$1,300,000
	958,200	24,000	982,200	12,000	970,200	1
	986,946	24,000	1,010,946	12,000	998,946	2
	1,016,554	24,000	1,040,554	12,000	1,028,554	3
	1,047,051	24,000	1,071,051	12,000	1,059,051	4
	1,078,463	24,000	1,102,463	12,000	1,090,463	5
	1,110,816	24,000	1,134,816	12,000	1,122,816	6
	1,144,141	24,000	1,168,141	12,000	1,156,141	7
	1,178,465	24,000	1,202,465	12,000	1,190,465	8
	1,213,819	24,000	1,237,819	12,000	1,225,819	9
	1,250,234	24,000	1,274,234	12,000	1,262,234	10
	1,287,741	24,000	1,311,741	12,000	1,299,741	11
	1,326,373	24,000	1,350,373	12,000	1,338,373	12
	1,366,164	24,000	1,390,164	12,000	1,378,164	13
	1,407,149	24,000	1,431,149	12,000	1,419,149	14
	1,449,363	24,000	1,473,363	12,000	1,461,363	15
	1,492,844	24,000	1,516,844	12,000	1,504,844	16
	1,537,630	24,000	1,561,630	12,000	1,549,630	17
	1,583,759	24,000	1,607,759	12,000	1,595,759	18
	1,631,271	24,000	1,655,271	12,000	1,643,271	19
	1,680,210	24,000	1,704,210	12,000	1,692,210	20
	1,730,616	24,000	1,754,616	12,000	1,742,616	21
	1,782,534	24,000	1,806,534	12,000	1,794,534	22
	1,836,010	24,000	1,860,010	12,000	1,848,010	23
	1,891,091	24,000	1,915,091	12,000	1,903,091	24
	1,947,823	24,000	1,971,823	12,000	1,959,823	25
	2,006,258	24,000	2,030,258	12,000	2,018,258	26
	2,066,446	24,000	2,090,446	12,000	2,078,446	27
	2,128,439	24,000	2,152,439	12,000	2,140,439	28
	2,192,292	24,000	2,216,292	12,000	2,204,292	29
	2,258,061	24,000	2,282,061	12,000	2,270,061	30
45,586,763	720,000	46,306,763	360,000	45,946,763	Total Annual Amounts	
46,886,763	720,000			47,246,763	with upfront	

Notes:

[11] NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year and is based on a 10% annual discount rate

[2] There shall be no discount applied to upfront payments to be made at or within 30 days of lease commencement

33] Any One-Time payments will be discounted according to their contracted date,

For example a one-time payment to be made at the end of the third (or beginning of the fourth) year

would be discounted according to formula3: Amount divided by $((1+0.10)^N)$

(4) SDPBC and Select Spectrum have agreed on MHz-POPs estimates for the licenses offered for lease. If for some reason only a portion of the offered licenses are leased, then the thresholds shall all be adjusted by the percentage difference between the MHz-POPs

leased according to the MHz:POPs By Call Sign Spreadsheet and the total MHz

this is: Revised Threshold = \$13,003,082 *total leased MHz-POPs/78,806,560

Attachment 5: Value of School District of Palm Beach County EBS Spectrum - \$0.500 Example

Confidential

NPV Calculations Example Leases SDBPC - \$0.050 per MHz POP
 MHz-POPs calculated as shown in Schedule 1
 Figures Shown Assume All Six SDBPC EBS Licenses Are Leased
 Dollar estimates developed by Select Spectrum

Initial Cash / month	Total	50.00%	Cash +	Upfront Pymnt	Total Estimate of MHz POPs for Multiple Licenses	
Annual Increase	Annual	services	50% svcs	Term Yr.		
Svcs: 50 accts	(\$)		(\$)			
2,770,800	24,000	12,000	2,782,800	1		78,806,560
2,853,924	24,000	12,000	2,865,924	2	NPV Range	*NPV
2,939,542	24,000	12,000	2,951,542	3	Undiscounted	0.00%
3,027,728	24,000	12,000	3,039,728	4	Discount Rate	10.00%
3,118,560	24,000	12,000	3,130,560	5		0.5000
3,212,117	24,000	12,000	3,224,117	6	MHz POPs	
3,308,480	24,000	12,000	3,320,480	7	Threshold NPV per MHz POP	
3,407,735	24,000	12,000	3,419,735	8	Threshold NPV	
3,509,967	24,000	12,000	3,521,967	9		
3,615,266	24,000	12,000	3,627,266	10	Example NPV-Threshold NPV	
3,723,724	24,000	12,000	3,735,724	11		
3,835,435	24,000	12,000	3,847,435	12	CISF based on Threshold	
3,950,498	24,000	12,000	3,962,498	13	Max CISF	
4,069,013	24,000	12,000	4,081,013	14	Maximum CISF based on NPV Times	1.40%
4,191,084	24,000	12,000	4,203,084	15	CISF in this case	
4,316,816	24,000	12,000	4,328,816	16		
4,446,321	24,000	12,000	4,458,321	17	*note that in this case, the value of the lease significantly exceeds the threshold value. The CISF would apply if the lease is completed and the maximum value of the CISF is \$500,000	
4,579,710	24,000	12,000	4,591,710	18	CISF Payout	
4,717,102	24,000	12,000	4,729,102	19	At first lessee payment	40%
4,858,615	24,000	12,000	4,892,615	20	1st yearly anniversary of 1st lessee pymnt	20%
5,004,373	24,000	12,000	5,016,373	21	2nd yearly anniversary of 1st lessee pymnt	20%
5,154,504	24,000	12,000	5,166,504	22	3rd yearly anniversary of 1st lessee pymnt	20%
5,309,139	24,000	12,000	5,321,139	23	Total	
5,468,414	24,000	12,000	5,480,414	24		
5,632,466	24,000	12,000	5,644,466	25		
5,801,440	24,000	12,000	5,825,440	26		
5,975,483	24,000	12,000	5,987,483	27		
6,154,748	24,000	12,000	6,166,748	28		
6,339,390	24,000	12,000	6,351,390	29		
6,529,572	24,000	12,000	6,541,572	30		
131,821,962	720,000	360,000	132,181,962	Total Annual Amounts		
135,321,962	720,000		135,681,962	with upfront		

Notes:

- [1] NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year and is based on a 10% annual discount rate
- [2] There shall be no discount applied to upfront payments to be made at or within 30 days of lease commencement
- [3] Any One-Time payments will be discounted according to their contracted date.
 For example a one-time payment to be made at the end of the third (or beginning of the fourth) year would be discounted according to formula: Amount divided by $(1+0.10)^{X/3}$
- [4] SDBPC and Select Spectrum have agreed on MHz-POPs estimates for the licenses offered for lease. If for some reason only a portion of the offered licenses are leased, then the thresholds shall all be adjusted by the percentage difference between the MHz-POPs leased according to the MHz-POPs By Call Sign Spreadsheet and the total MHz POPs shown above. In equation form this is: Revised Threshold = $\$13,003,082 \times \text{total leased MHz-POPs} / 78,806,560$
- [5] Input cells that must be filled with actual lease figures to reflect the final lease agreement in order to correctly calculate the NPV and CISF are highlighted with a shaded background
- [6] This Attachment is included only to demonstrate the impact of the \$500,000 cap on the CISF in the unlikely case of a very high NPV transaction. A lease NPV value near \$0.50 per MHz-POP is extremely unlikely and unprecedented in this spectrum band

Schedule B1 -Revised Threshold Amounts for Leases of 1 to 29 years in Length

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Figures Shown Assume All Six SDPBC EBS Licenses Are Leased
Total Estimate of MHz POPs for Multiple Licenses = 78,806,560

Term Year	% of 30 Year NPV Achieved	Revised Threshold \$/MHz POP	Revised Threshold (\$)
1	15.42%	0.0254	2,004,887
2	21.75%	0.0359	2,828,679
3	27.68%	0.0457	3,599,835
4	33.24%	0.0548	4,321,724
5	38.43%	0.0634	4,997,498
6	43.30%	0.0714	5,630,108
7	47.85%	0.0790	6,222,317
8	52.12%	0.0860	6,776,706
9	56.11%	0.0926	7,295,697
10	59.84%	0.0987	7,781,551
11	63.34%	0.1045	8,236,388
12	66.62%	0.1099	8,662,190
13	69.68%	0.1150	9,060,814
14	72.55%	0.1197	9,433,997
15	75.24%	0.1241	9,783,363
16	77.75%	0.1283	10,110,435
17	80.11%	0.1322	10,416,638
18	82.31%	0.1358	10,703,304
19	84.38%	0.1392	10,971,681
20	86.31%	0.1424	11,222,937
21	88.12%	0.1454	11,458,167
22	89.81%	0.1482	11,678,392
23	91.40%	0.1508	11,884,571
24	92.88%	0.1533	12,077,601
25	94.27%	0.1555	12,258,321
26	95.57%	0.1577	12,427,517
27	96.79%	0.1597	12,585,924
28	97.93%	0.1616	12,734,232
29	99.00%	0.1634	12,873,083
30	100.00%	0.1650	13,003,082

Note:

The NPV shall be based on the maximum lease term of up to 30 years including all renewals which may be made at the option of either party. If the maximum lease term is less, then the Threshold value shall be reduced by multiplying the 30 year Threshold Value by the percentage shown in Column D "% of 30 Year NPV Achieved" above for the maximum number of term years in the lease yielding the results shown in Columns E on a per MHz POP basis and F if all licenses are 95% leased. The CISF shall also be reduced by multiplying by the same percentage. For example, as shown in Schedule B2, if the total contracted term is 21 years which corresponds to an expected value of 88.12 percent of the Threshold, then the Threshold value rate shall be reduced to $\$0.1650 \times 88.12\% = \0.1454 per MHz-POP and the CISF percentage shall be reduced to $10.0\% \times 88.12\% = 8.812\%$ of the amount above the Threshold value. Schedule B2 utilizes the same spreadsheet equations as shown in Attachments 1-5, and includes only the contracted fees and that will accrue during the example 21 year lease. The maximum value of the CISF of \$500,000 shall also be reduced by the same ratio, so in this example it would be reduced to $\$500,000 \times 88.12\% = \$440,594$. The maximum CISF shall still equal 1.40% of Lease NPV, so in this case the CISF will be the lesser of (1) 8.812% of the amount above the Threshold or (2) 1.40% of the NPV or (3) \$440,594.

Schedule B2: Example NPV and CISF Calculation for a Lease of Less than 30 Years Maximum Term

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NPV Calculations Example Leases SDPBC - Example Lease Term is 21 years and has Payments equal to those shown in Attachment 2 During its Term
 MHZ-POPs calculated as shown in Schedule 1
 Figures Shown Assume All Six SDPBC EBS Licenses Are Leased
 Dollar estimates developed by Select Spectrum

Annual Cash Services	Total (\$)	% of 30 Year NPV Achieved	50.00% services	Cash + 50% svcs	Term Yr.	Upfront Pymnt	Total Estimate of MHZ POPs for Multiple Licenses	
Initial Cash / month	\$101,450							
Annual Increase	3.0%							
Svcs: 50 acnts	\$2,000							
Annual Cash Services	Total (\$)	% of 30 Year NPV Achieved	50.00% services	Cash + 50% svcs	Term Yr.	Upfront Pymnt	Total Estimate of MHZ POPs for Multiple Licenses	
1,217,400	24,000	1,241,400	12,000	1,229,400	1			78,806,560
1,253,922	24,000	1,277,922	12,000	1,265,922	2			
1,291,540	24,000	1,315,540	12,000	1,303,540	3			
1,330,286	24,000	1,354,286	12,000	1,342,286	4			
1,370,194	24,000	1,394,194	12,000	1,382,194	5			
1,411,300	24,000	1,435,300	12,000	1,423,300	6			
1,453,639	24,000	1,477,639	12,000	1,465,639	7			
1,497,248	24,000	1,521,248	12,000	1,509,248	8			
1,542,166	24,000	1,566,166	12,000	1,554,166	9			
1,588,431	24,000	1,612,431	12,000	1,600,431	10			
1,636,084	24,000	1,660,084	12,000	1,648,084	11			
1,685,166	24,000	1,709,166	12,000	1,697,166	12			
1,735,721	24,000	1,759,721	12,000	1,747,721	13			
1,787,793	24,000	1,811,793	12,000	1,799,793	14			
1,841,427	24,000	1,865,427	12,000	1,853,427	15			
1,896,670	24,000	1,920,670	12,000	1,908,670	16			
1,953,570	24,000	1,977,570	12,000	1,965,570	17			
2,012,177	24,000	2,036,177	12,000	2,024,177	18			
2,072,542	24,000	2,096,542	12,000	2,084,542	19			
2,134,718	24,000	2,158,718	12,000	2,146,718	20			
2,198,760	24,000	2,222,760	12,000	2,210,760	21			
0	0	0	0	0	22			
0	0	0	0	0	23			
0	0	0	0	0	24			
0	0	0	0	0	25			
0	0	0	0	0	26			
0	0	0	0	0	27			
0	0	0	0	0	28			
0	0	0	0	0	29			
0	0	0	0	0	30			
34,910,754	504,000	35,414,754	252,000	35,162,754	Total Annual Amounts			
36,410,754	504,000			36,662,754	with upfront			

Notes:

[1] NPV is the average of the NPV value between assuming all monthly payments are made at the beginning of the year and assuming all monthly payments are made at the end of the year and is based on a 10% annual discount rate

[2] There shall be no discount applied to upfront payments to be made at or within 30 days of lease commencement

[3] Any One-Time payments will be discounted according to their contracted date.
 For example a one-time payment to be made at the end of the third (or beginning of the fourth) year would be discounted according to formula: Amount divided by ((1+0.10)^3)

[4] SDPBC and Select Spectrum have agreed on MHZ-POPs estimates for the licenses offered for lease. If for some reason only a portion of the offered licenses are leased, then the thresholds shall all be adjusted by the percentage difference between the MHZ-POPs leased according to the MHZ-POPs By Call Sign Spreadsheet and the total MHZ POPs shown above. In equation form this is: Revised Threshold = \$13,003,082 * total leased MHZ-POPs/78,806,560

[5] Input cells that must be filled with actual lease figures to reflect the final lease agreement in order to correctly calculate the NPV and CISF are highlighted with a shaded background. For years after the final term, the payment and service credit amounts are treated as zero (\$0)