

SERVICES AGREEMENT

This SERVICES AGREEMENT (this "Agreement") dated December 1, 2011, is entered into by and between Iowa City Community School District (the "Customer"), Blackboard Connect Inc., a North Carolina corporation and wholly-owned subsidiary of Blackboard Inc. ("Blackboard Connect"), and Edline LLC ("Edline") (collectively, the "Parties" and individually, the "Party"); and,

Whereby the Customer purchased notification services from Edline pursuant to Proposal Number 612987 dated June 14, 2011 (the "Edline Agreement"); and,

Whereby the Customer wishes to utilize the Blackboard Connect Service (the "Service"), on behalf of itself and the schools within the Customer's district (with such schools to be included in the defined term "Customer" used herein) instead of the Edline notification services; and,

Whereby Blackboard Connect and Edline desire for Blackboard Connect to provide the Service to Customer subject to and in accordance with the following terms and conditions agreed by Customer;

For good and valuable consideration, the receipt of which are hereby acknowledged, the Parties hereby agree as follows:

1. **The Blackboard Connect Service.** In consideration for the Service Fee (as defined below), Blackboard Connect shall provide the Customer with the Service to send unlimited any-time messages to parents of enrolled students, administrators, faculty, staff, and board members (individually, a "Recipient," and collectively, the "Recipients"). The Customer will provide all contact data for Recipients (the "Recipient Data"). Telephone messages may only be sent to telephone numbers from the North American Numbering Plan from the 48 contiguous United States, Puerto Rico, Alaska and Hawaii. Additional charges incurred by the Recipient for messages, including but not limited to text message fees or data fees shall be payable by the Customer or Recipient. The Service will include training and 24/7/365 Client Care Support for all designated Customer users.
2. **Edline Agreement.** Upon the execution of this Agreement by the Parties, the Edline Agreement shall be deemed terminated solely as it relates to notification services. For the avoidance of doubt, the Edline Agreement shall remain in full force and effect in respect of all other products set forth therein.
3. **Term; Termination.** This Agreement will commence on the date which is the later of, the date of full execution of the Agreement or December 1, 2011 (the "Service Start Date") and will end on June 30, 2014 (the "Initial Term"). Thereafter, the Agreement will renew automatically upon the expiration of the Initial Term for successive one (1) year periods (each, a "Renewal Term," and collectively with the Initial Term, the "Term"), unless either Party provides written notice of its desire not to renew at least 30 days prior to the end of the then-current term. Notwithstanding the foregoing, if Customer inputs any information or other data into Blackboard Connect's systems prior to the Service Start Date in order to prepare for the start of the Service and/or sends any messages prior to the Service Start Date, the Customer expressly accepts that the terms and conditions of this Agreement will also apply during that earlier period.
  - a. **Termination with Cause.** Either Party may terminate this Agreement in the event of a material breach by the other Party, which breach remains uncured for thirty (30) days following written notice to the breaching Party. In the event of a termination by Customer for an uncured material breach, the Customer will receive a prorated refund of the annual Service Fee (minus the Support Fee if any) calculated from the date of termination to the end of the applicable annual period. This Agreement can be terminated immediately by Blackboard Connect for non-payment.
  - b. **Effect of Termination.** In the event of termination or expiration of this Agreement, the Customer will: (i) immediately discontinue access to and/or use of the Service under this Agreement; (ii) pay to Blackboard Connect all amounts due and payable under this Agreement; and (iii) return all documentation and related training materials to Blackboard Connect within a reasonable time at the Customer's cost. Any termination of this Agreement will not affect any rights or liabilities of either Party that accrued prior to such termination. Sections 3, 4, 5, 7, 8, 9, and 10, will survive the expiration or termination of this Agreement for any reason.
4. **Service Fee.** In consideration for the use of the Service during the Initial Term, the Customer will pay Blackboard Connect the following annual fees (collectively, the "Service Fee"):
  - a. **Fee.** As between the Parties, Edline shall remit payment in the amount of \$18,000 (\$1.50 per student x 12,000 students) for the Service to Blackboard Connect solely in respect of the Service Start Date through June 30, 2012 of the initial Term (the "Stub Period"), the receipt of which is hereby acknowledged, such that no further Service Fee is payable by Customer in respect of the Service during the Stub Period. After the Stub Period, the following Service Fee(s) shall apply:
    - i. An annual Support Fee based on the number of enrolled students in the district is waived during the Initial Term. Calculation of the aggregate Annual Support Fee for subsequent years after the Initial Term will be based on the number of enrolled students in the Customer's district for each year of the Initial Term; and
    - ii. An annual fee of \$2.00 per student per year shall apply in respect of the annual period from July 1, 2012 through June 30, 2013. An annual fee of \$2.25 per student per year shall apply in respect of the annual period from July 1, 2013 through June 30, 2014 (each a "Message Fee").
  - b. **Payment Terms.**
    - i. The annual Service Fee will be due at the beginning of each annual period and is due within thirty (30) days after the date of an Invoice from Blackboard Connect.
    - ii. For subsequent Renewal Terms beyond the expiration of the Initial Term, the Service Fee will be at Blackboard Connect's then-current pricing.
    - iii. Late payments may be assessed at the lesser of 1.5% per month or the maximum allowable rate under applicable law.
    - iv. The fees hereunder do not include any sales, use, or other taxes, government fees or levies on the provision of the Service. Customer will be responsible for payment of all applicable taxes, fees or levies, unless the Customer is exempt therefrom and provides Blackboard Connect with a copy of Customer's tax exemption certificate or number. All payments to Blackboard

Connect shall be made without any deduction or withholding, unless required by applicable law in which the Customer shall ensure that the net amount actually received by Blackboard Connect from the Customer equals the full amount Blackboard Connect would have received had no such deduction or withholding been required.

5. **Confidentiality.** Each Party agrees to maintain the confidentiality of the other Party's Confidential Information (as defined below), with no less than a reasonable degree of care. Blackboard Connect "Confidential Information" shall include, but not limited to, the Service and all documents relating to the provision of Service including but not limited to the training guides and manuals. Each Party agrees to limit access to the Confidential Information to those of its employees and agents who have a business need for the access and who have been clearly informed of their obligation to maintain the confidential, proprietary and/or trade secret status of such Confidential Information. Blackboard Connect does not rent, trade, or sell Recipient Data received from Customer to third parties, and will only disclose Information as necessary to comply with applicable laws and government orders or to operate or maintain the Service.
6. **Privacy Policy and Acceptable Use Policy.** The Customer agrees to comply with the then current Acceptable Use Policy and Privacy Policy (collectively, the "Policies"), which Blackboard reserves the right to modify, from time to time, effective five (5) days after such modified Policies are posted at the relevant link (which can be found at the Blackboard Connect Website located at [www.blackboardconnect.com](http://www.blackboardconnect.com)), such posting to constitute effective notice of changes. In the event of an express conflict between the terms of the Agreement and the terms of the Policies, the terms of the Agreement will prevail.
7. **Representations and Obligations.** The Customer represents and warrants that: (i) it will comply with all applicable laws, regulations and contracts in use of the Service and with respect to the content and transmission of its messages sent using the Service; (ii) it will use best efforts in providing accurate and complete Recipient Data; (iii) it has met all legal, regulatory and contractual requirements in providing, and using, the Recipient Data, in connection with the Service, including, but not limited to, obtaining requisite consents to call a Recipient; (iv) it will maintain the confidentiality of its password and account information, and agrees to notify Blackboard Connect in the event of an actual or suspected unauthorized access to its account, or if it loses its account information; (v) it will have in place primary safety and emergency response procedures in the event of an emergency (including without limitation, notifying 911 or equivalent, fire, police, emergency medical, and public health, collectively, "First Responder Services") which do not utilize the Service; (vi) it will not subject Blackboard Connect to any regulations or laws due to the import of certain Recipient Data; (vii) it will not send messages to Recipients who have opted out of receiving messages from the Customer; (viii) If Customer purchases data from Blackboard Connect, it will only use such data purchased from Blackboard Connect to contact individuals pursuant to the use of the Service and is prohibited from downloading or making copies of such data purchased from Blackboard Connect if such activity would violate an applicable law, regulation or contract; and (ix) it will not use the Service in combination with products or services not provided by Blackboard Connect or in a manner for which the Service was not designed, which would cause the Service to infringe on a third party intellectual property right. The Customer agrees to defend, indemnify and hold harmless Blackboard Connect against any damages, losses, liabilities, settlements, and expenses (including without limitation, costs and reasonable attorneys' fees) in connection with any claim or action that arises from the content or effects of any messages the Customer distributes using the Service or the Customer's use of the Service.
8. **Limitation of Liability.** In no event will Blackboard Connect, its officers, employees, representatives or licensors be liable to Customer for any indirect, punitive, reliance, special, consequential, exemplary, or other similar damages of any kind or nature whatsoever, suffered by the Customer or any third party (including without limitation, business interruption, downtime, or any use of, or failure to use the Service, or any loss of business, contracts, profits, anticipated savings, goodwill or revenue, or any loss or corruption of data), arising out of this Agreement, the Service, or the transactions contemplated hereby, even if a Party has been advised of the possibilities of such damages or should have foreseen such damages. Blackboard Connect, its officers and employees will not be liable for any damages or injury with respect to the performance of the Service, including, but not limited to, any failure of performance, error, omission, defect, delay, computer virus, or line failure, interruptions or disruptions in the services contemplated under this Agreement caused by or resulting from any act, omission or condition beyond Blackboard Connect's reasonable control, whether or not foreseeable or identified, including but not limited to, transmission errors, or corruption or security of information carried over telecommunication lines, failure of digital transmission links, hostile network attacks or network congestion, or acts of God, acts of war, governmental regulations, public utilities or telecommunication providers, shortage of equipment, materials or supplies, fire, power failure, earthquakes, severe weather, floods or other natural disaster or the Customer's or any third party's applications, hardware, software or communications equipment or facilities, unless same results from the intentional or willful acts of Blackboard Connect. Under no circumstances will the aggregate liability of Blackboard Connect to the Customer or any third party arising out of or related to this Agreement or the provision of the Service, exceed the aggregate fees paid to Blackboard Connect under this Agreement during the 12 month period immediately prior to the event, act or omission giving rise to such liability, regardless of whether any action or claim is based on warranty, indemnification, contract, tort or otherwise. The existence of multiple claims will not enlarge this limit. The foregoing limitations of liability are intended to apply without regard to whether other provisions of this Agreement have been breached or have proven ineffective. Nothing contained in the foregoing limits or excludes the liability of Blackboard Connect for liability which cannot be excluded by law. Notwithstanding anything contained herein to the contrary, the Customer shall be responsible for all claims and damage resulting from the misuse of the Service by the Customer or its users including reimbursement of any expenses incurred by Blackboard Connect in defending claims arising from such misuse. The Parties acknowledge and agree that the fees, limitations of liability and remedies reflect the allocation of risk between the Parties, and that Sections 8 and 9 are essential elements of the basis of the bargain between the Parties and that in its absence, the economic terms of this Agreement would be substantially different. Blackboard Connect reserves the right to modify or remove any functionality that may be alleged to infringe a third party's intellectual property rights.
9. **Limited Warranty.** THE SERVICE IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS AND, TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, BLACKBOARD CONNECT EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES RELATING TO THE SERVICE, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, DATA ACCURACY, SATISFACTORY QUALITY, NON-INFRINGEMENT, AND/OR QUIET ENJOYMENT. NEITHER BLACKBOARD CONNECT NOR ITS LICENSORS WARRANT THAT THE FUNCTIONS OR INFORMATION CONTAINED IN THE SERVICE WILL MEET ANY REQUIREMENTS OR NEEDS CUSTOMER MAY HAVE, OR THAT THE SERVICE WILL OPERATE ERROR FREE OR WITHOUT INTERRUPTION. BLACKBOARD CONNECT AND ITS LICENSORS MAKE NO GUARANTEE OF ACCESS TO OR OF ACCURACY OF THE CONTENT CONTAINED IN OR ACCESSED THROUGH THE SERVICE. In the event of the Service's failure to comply with this Agreement, the Customer's sole remedy shall be to terminate the Agreement. The Customer acknowledges and agrees that the Service is not intended, nor designed, for use in high risk activities, or in any situation where failure of the Service could lead to death, personal injury, or damage to property, or where other damage could result if an error occurred and the parties further agree that, to the extent not prohibited by applicable law, Blackboard Connect shall not be liable for any death, personal injury or damage to property. The Customer also acknowledges and agrees that the primary recourse of the Customer in the event of any actual or potential threat

to person or property should be to contact First Responder Services and that the Service is not intended to replace First Responder Services, or to be used for communicating with, or replace notification to, or Interoperate directly with, First Responder Services, which should have already been notified and deployed prior to using the Service.

10. **Miscellaneous.** The Customer acknowledges and agrees that the Confidential Information and all other materials pertaining to the use of the Service are not purchased or developed with Customer funds. Accordingly, nothing in this Agreement grants or transfers to the Customer any ownership rights in the foregoing materials or the Service. Each Party may seek any relief, including equitable relief provided under law. The Customer is expressly prohibited from reproducing, modifying, duplicating, copying, making derivative works, publicly displaying, or otherwise exploiting, in whole or in part, the member pages of the Blackboard Connect website without the express written permission of Blackboard Connect. This Agreement will be governed and interpreted in accordance with the governing law of the state of the Customer. In addition to any other relief awarded, the prevailing party in any action arising out of this Agreement shall be entitled to its reasonable attorneys' fees and costs. Failure by either Party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement. In the event that any provision of this Agreement is invalid under applicable law, the remainder of this Agreement will continue in full force and effect, and the Parties will replace the invalid provision with one that, as much as possible, reflects the original intentions of the Parties and is valid under applicable law. Blackboard Connect is providing a service to the Customer as an independent contractor. No provisions of this Agreement are intended or shall be construed to confer upon or give to any person or entity other than Blackboard Connect or Customer, any rights, remedies or other benefits under or by reason of this Agreement. All notices to Blackboard Connect must be in writing and may be delivered in person or by courier, sent by facsimile, or mailed postage prepaid, return receipt requested to the attention of the Legal Department at the address on the signatory page. Notices to the Customer must be in writing and may be delivered in person or by courier, sent by facsimile, or mailed by certified or registered mail, postage prepaid, return receipt requested to the address on the signature page and to the attention of the signatory. Any notices will be effective upon receipt by the Party receiving such notice. Neither Party may assign this Agreement without the other Party's prior written consent, provided, that Blackboard Connect may assign this Agreement without the Customer's prior consent to (i) a parent, subsidiary or affiliate of Blackboard Connect or (ii) any entity or successor that acquires all or substantially all of the business, stock, or assets of Blackboard Connect. Any assignment made in conflict with this provision shall be void subject to the foregoing, and this Agreement shall benefit and bind the permitted successors and assigns of the Parties. The Agreement may be executed in counterparts and a signature on a copy of this Agreement received by either Party by facsimile is binding upon the other Party as an original. This Agreement expresses the complete and final understanding of the Parties with respect to the subject matter hereof, and supersedes all prior communications between the Parties, whether written or oral with respect to the subject matter hereof. Except as stated herein, this Agreement may be amended only in writing that refers explicitly to this Agreement and that is signed by an authorized representative of both Parties.



By signing below, the Customer represents and warrants that it has read and understands all applicable parts of this Agreement, including the Policies, and that person who has signed this Agreement for the Customer is authorized to execute and deliver this Agreement on its behalf. IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date of execution of this Agreement.


IOWA CITY COMMUNITY SCHOOL DISTRICT

Authorized Signatory: Pres. of School Board  
Name & Title: Marla Suesby  
Execution Date: 12/20/11

Address:  
509 S. Dubuque Street  
Iowa City, IA 52240

Contact for Notices: David Dude, Director of Technology

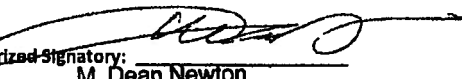
BLACKBOARD CONNECT INC.

  
Authorized Signatory: M. Dean Newton  
Name & Title: Asst. General Counsel  
Execution Date: 12/1/11

Address: Blackboard Inc.  
650 Massachusetts Ave NW, 6th floor  
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Tel: (202) 463-4860 ext 2463 or ext 2592  
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Email: Caryn.Pinto@blackboard.com

EDLINE LLC

  
Authorized Signatory: M. Dean Newton  
Name & Title: Asst. General Counsel  
Execution Date: 12/1/11

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Chicago, IL 60606