

**STATE OF TEXAS**  
**DEPARTMENT OF INFORMATION RESOURCES**  
**CONTRACT FOR PRODUCTS AND RELATED SERVICES**  
**REDMOON, INC.**

**1. Introduction**

**A. Parties**

This Contract for products and related services is entered into between the State of Texas, acting by and through the Department of Information Resources (hereinafter “DIR”) with its principal place of business at 300 West 15<sup>th</sup> Street, Suite 1300, Austin, Texas 78701, and RedMoon, Inc. (hereinafter “Vendor”), with its principal place of business at 625 Digital Drive, Suite 500, Plano, Texas 75075.

**B. Compliance with Procurement Laws**

This Contract is the result of compliance with applicable procurement laws of the State of Texas. DIR issued a solicitation on the Texas Building and Procurement Commission’s Electronic State Business Daily, Request for Offer (RFO) DIR-SDD-TMP-068, on September 7, 2005, for Wireless Mesh Network Solutions. DIR subsequently issued a BAFO opportunity on May 1, 2006. Upon execution of this Contract, a notice of award for RFO DIR-SDD-TMP-068 shall be posted by DIR on the Electronic State Business Daily.

**C. Order of Precedence**

This Contract; Appendix A, Standard Terms and Conditions For Products and Related Services Contracts; Appendix B, Vendor’s Historically Underutilized Businesses Subcontracting Plan; Appendix C, Product and Services Pricing Schedule; Appendix D, Additional Terms and Conditions - Service Agreement; Exhibit 1, Vendor’s Response to BAFO, including all addenda; Exhibit 2, the BAFO, including all addenda; Exhibit 3, Vendor’s Response to RFO DIR-SDD-TMP-068, including all addenda; and Exhibit 4, RFO DIR-SDD-TMP-068, including all addenda; are incorporated by reference and constitute the entire agreement between DIR and Vendor. In the event of a conflict between the documents listed in this paragraph, the controlling document shall be this Contract, then Appendix A, then Appendix B, then Appendix C, then Appendix D, then Exhibit 1, then Exhibit 2, then Exhibit 3, and finally Exhibit 4. In the event and to the extent any provisions contained in multiple documents address the same or substantially the same subject matter but do not actually conflict, the more recent provisions shall be deemed to have superseded earlier provisions.

**2. Term of Contract**

The term of this Contract shall be one (1) year commencing on the last date of approval by DIR and Vendor. Prior to expiration of the original term, DIR and Vendor may extend the Contract, upon mutual agreement, for up to three (3) optional one-year terms.

**3. Product and Service Offerings**

**A. Products**

Products available under this Contract are limited brands identified in Appendix C, Product and Services Pricing Schedule. Vendor may incorporate changes to their product offering; however, any changes must be within the scope of products awarded based on the posting described in Section 1.B above.

**B. Services**

Services available under this Contract are limited to services identified in Appendix C, Product and Services Pricing Schedule. Vendor may incorporate changes to their service offering; however, any changes must be within the scope of services awarded based on the posting described in Section 1.B above.

**4. Pricing**

**A. Manufacturer's Suggested Retail Price (MSRP)**

MSRP is defined as the product sales price suggested by the manufacturer or publisher of a product.

**B. Customer Discount**

The minimum Customer discount for all products and services will be the percentage off MSRP as specified in Appendix C, Product and Services Pricing Schedule.

**C. Customer Price**

1) The price to the Customer shall be calculated as follows:

$$\text{Customer Price} = \text{MSRP} - \text{Customer Discount}$$

2) Customers purchasing products and services under this Contract may negotiate more advantageous pricing or participate in special promotional offers. In such event, a copy of such better offerings shall be furnished to DIR upon request. Vendor agrees it shall offer and make available this DIR Contract as first choice for all sales of Products and Services identified in Section 3 above to eligible Texas DIR Customers during its term.

3) If pricing for products or services available under this Contract are provided at a lower price to: (i) an eligible Customer who is not purchasing those products or services under this Contract or (ii) any other entity or consortia authorized by Texas law to sell said products and services to eligible Customers, then the available Customer Price in this Contract shall be adjusted to that lower price. This Contract shall be amended within ten (10) business days to reflect the lower price.

**D. DIR Administrative Fee**

The administrative fee specified in Section 5 below shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

**E. Shipping and Handling Fees**

The price to the Customer under this Contract shall include all shipping and handling fees. Shipments will be Free On Board Customer's destination. No additional fees shall be charged to the Customer for standard shipping and handling. If the Customer requests expedited delivery, Customer will be responsible for any charges for expedited delivery.

**F. Tax-Exempt**

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j).

**G. Travel Expense Reimbursement**

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized by the current State Travel Regulations. Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in Section 5 below is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer.

**H. Changes to Prices**

Vendor may change the price of any product or service at any time, based upon changes to the MSRP, but discount levels shall remain consistent with the discount levels specified in this Contract. Price decreases shall take effect automatically during the term of this Contract and shall be passed onto the Customer immediately.

**5. DIR Administrative Fee**

**A)** The administrative fee to be paid by the Vendor to DIR based on the dollar value of all sales to Customers pursuant to this Contract is two percent (2%). Payment will be calculated for all sales, net of returns and credits. For example, the administrative fee for sales totaling \$100,000 shall be \$2,000.

**B)** All prices quoted to Customers shall include the administrative fee. DIR reserves the right to change this fee upwards or downwards during the term of this Contract, upon written notice to Vendor. Any change in the administrative fee shall be incorporated in the price to the Customer.

C) In addition to the DIR Administrative fee described in Section 5, DIR may participate in revenue sharing options with Vendor, Customers and other involved parties on a case-by-case basis.

**6. Notification**

All notices under this Contract shall be sent to a party at the respective address indicated below.

If sent to the State:

Sherri Parks, Service Delivery Division  
Department of Information Resources  
300 W. 15<sup>th</sup> St., Suite 1300  
Austin, Texas 78701  
Phone: (512) 475-4700  
Facsimile: (512) 475-4759  
Email: sherri.parks@dir.state.tx.us

If sent to the Vendor:

Bryan Thompson  
RedMoon, Inc.  
625 Digital Drive, Suite 500  
Plano, Texas 75075  
Phone: (972) 599-3900  
Facsimile: (972) 599-1060  
Email: bryan@redmoonbroadband.com

**7. Software License and Service Agreements**

**A. Shrink/Click-wrap License Agreement**

Software provided in conjunction with the Equipment is licensed to Customer under the license provided by the software publisher or by the equipment manufacturer with which the software is provided. Customer shall, if required, execute a separate software license agreement in a form satisfactory to the software publisher or equipment manufacturer.

**B. Service Agreement**

Services provided under this Contract shall be in accordance with the Service Agreement as set forth in Appendix D of this Contract. No changes to the Service Agreement terms and conditions may be made unless previously agreed to by Vendor and DIR.

**8. Authorized Exceptions to Appendix A, Standard Terms and Conditions for Product and Related Services Contracts.**

No exceptions.

This Contract is executed to be effective as of the date of last signature.

**RedMoon, Inc.**

**The State of Texas, acting by and through the  
Department of Information Resources**

**Authorized By:** Signature on File

**Authorized By:** Signature on File

**Name:** Bryan Thompson

**Name:** Brian S. Rawson

**Title:** President

**Title:** Director of Service Delivery

**Date:** August 15, 2006

**Date:** August 18, 2006

**Legal:** Signature on File

**APPENDIX C  
PRODUCT AND SERVICES PRICING SCHEDULE**

**Exhibit C.1**

**Description of RedMoon, Inc.  
Related/Value-added Services**

**Site Survey**

A team of wireless engineers will perform a site survey of the entire project area. The analysis consists of the following elements:

- Type of proposed deployment with services requested from the City
- Complete RF analysis including path analysis, frequency analysis, and constant wave drive test
- Bandwidth analysis
- City assets that are appropriate along with other assets that are available
- Competitive analysis if required
- Coverage options with capabilities expectations
- Estimate of costs to deploy for selected options
- Proposed deployment schedule

**Network/RF Engineering**

- **Path Analysis:** A path analysis will be performed to determine the physical topology as well as RF propagation conditions. The RF modeling parameters will be used to determine exactly how much coverage the prospective network will provide, as well as aid in determining the exact layout of each Wi-Fi node.
- **Frequency Analysis:** Using a RF Spectrum Analyzer, ambient RF signals will be measured to determine possible sources of interference or elevated noise floor. This information will be used to determine the best possible frequency plan for the entire solution.
- **Enterprise network/routing configuration:** A network engineer will examine the enterprise network in place with each jurisdiction. This information will be used to determine the best IP/routing solution that will provide the desired interoperability.
- **Order/configure IP structure:** When the IP addresses and structure are determined, the network engineer will design an IP solution that will provide the desired interconnectivity.

**Installation Service**

RedMoon technicians, trained by our manufacturer partners, install Mesh radios, as specified through engineering design.

**Internet Service Provider**

RedMoon has a large WISP deployment and large customer base in the DFW area. This infrastructure can be leveraged for the deployment of Internet Service in almost any other geographic location. Clients that purchase our wireless broadband products will also be afforded the opportunity to have RedMoon provide Internet service through our infrastructure and Network Operations Center.

**Product Maintenance**

Maintenance as described in Appendix D Service Agreement will be performed by RedMoon. This is typically maintenance not associated with OEM warranty, and can extend manufacturer's warranty past the warranty date.

**Monthly Monitoring**

Refers to RedMoon Managed IT Services. Monitoring of devices (servers, routers, etc.) on client premises can be done remotely, and reports on performance and status can be delivered based on this monitoring.

**Monitoring Installation**

Refers to the installation of monitoring or hardware probes at the client site to provide real-time performance diagnostics. Installation is performed by certified technicians.

**Training**

RedMoon technicians will provide specific product training as authorized, or facilitate training as specified in a contract.

**Project Management**

Clients can utilize RedMoon's unique City-wide Mesh Networking experience. RedMoon will dedicate Project Management personnel for guidance, planning, and implementation purposes.