



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

This letter agreement (this “Agreement”) describes the terms and conditions by which _____ (“Spectrum Rights Holder”) agrees to include its 2.5 GHz spectrum rights listed in Attachment 1 hereto (“Spectrum Rights”) in the Spectrum Lease Auction to be managed by Select Spectrum LLC (“Select Spectrum”) as described below.

Select Spectrum intends to conduct a Spectrum Lease Auction for the lease, sublease or sale (collectively, “Lease”) of 2.5 GHz spectrum rights licensed to or held by educational and other organizations. Spectrum Rights Holder understands that Select Spectrum’s services are non-exclusive and that Select Spectrum intends to include spectrum rights held by other Spectrum Rights Holders in the Spectrum Lease Auction. Spectrum Rights Holder further agrees and acknowledges that Select Spectrum is entering into agreements with prospective bidders that may place bids for Spectrum Rights in the Spectrum Lease Auction. Select Spectrum cannot guarantee that Spectrum Rights Holder will receive any bids for the Spectrum Rights through the Spectrum Lease Auction or that the bids received will meet Spectrum Rights Holder’s expectations.

Obligations of Spectrum Rights Holder

To increase the chance of receiving attractive bids, Spectrum Rights Holder will provide Select Spectrum with information useful to prospective bidders considering the Spectrum Rights. Spectrum Rights Holder agrees to promptly review any bids it receives, to select any bids that it determines to be acceptable and to negotiate in good faith for the Lease of its Spectrum rights if any such bids are acceptable.

Select Spectrum Services and Obligations

Select Spectrum agrees to provide the following services:

1. Select Spectrum will make available on its web site (www.selectspectrum.com) a map of the Geographic Service Area (“GSA”) for each of the Spectrum Rights and an estimate of the population covered by each such GSA. The web site also will provide additional relevant non-proprietary and non-confidential information about Spectrum Rights Holders and the Spectrum Rights. Such additional information may include (a) the preferred start date for a new spectrum lease, (b) whether any party has an existing lease and when that lease will end, and (c) any other rights that may have been provided under an existing agreement such as an existing lessee’s right of first refusal.

2. Select Spectrum will conduct research to identify national, regional and local entities that are prospective lessees for the Spectrum Rights and will contact those parties. Select Spectrum will track the parties it has contacted (each a "Contacted Target Lessee") by email, conventional letters, telephone calls or in-person meetings. Prior to the First Bid Date (as defined below), Select Spectrum will provide Spectrum Rights Holder with a list of Contacted Target Lessees, and Select Spectrum may update the list and provide updated lists to Spectrum Rights Holder. Select Spectrum will provide the final list of Contacted Target Lessees no later than one week after the First Bid Date.
3. Select Spectrum will provide a standard format that parties will use to place bids, which will include information such as bidder identification, proposed lease start dates and duration, proposed renewal terms, and financial terms. The format will allow parties to also include any supplemental information to encourage a Spectrum Rights Holder to accept its bid.
4. After the deadline established by Select Spectrum for submission of initial bids (the "First Bid Date"), Select Spectrum will forward bids from bidders (each, a "Bidder") to Spectrum Rights Holder along with Select Spectrum's financial analysis of such bids. Spectrum Rights Holder will substantially control the process following receipt of bids, which may include additional rounds of bidding and/or negotiation with more than one Bidder. Select Spectrum will assist as requested by Spectrum Rights Holder.
5. Select Spectrum will inform Bidders of Spectrum Rights Holder's decision with respect to received bids. A Bidder may elect to participate in any additional bidding process that the Spectrum Rights Holder elects, or may decide to cease bidding at any time. If Bidder is provisionally selected by Spectrum Rights Holder and begins Lease negotiations, Select Spectrum will assist Spectrum Rights Holder and Bidder with business negotiations to facilitate the parties reaching a mutually-acceptable Lease. Spectrum Rights Holder will have no obligation to accept any bid. Select Spectrum does not have legal expertise and cannot provide legal advice and recommends that Spectrum Rights Holder engage legal counsel to represent its interests.

Compensation

Select Spectrum will provide the services described above at no charge to Spectrum Rights Holder; however, in any Lease of the Spectrum Rights, Spectrum Rights Holder shall require that Bidder or any Contacted Target Lessee pay Select Spectrum a fee for any successful transaction. No fee shall be owed by Spectrum Rights Holder or lessee to Select Spectrum unless and until the Lease becomes effective ("Effective Date"). If during the term of this Agreement or for six months afterward, Spectrum Rights Holder or its affiliate signs a Lease for any of the Spectrum Rights with a Bidder or Contacted Target Lessee, then lessee shall pay Select Spectrum a Contingent Success Fee ("CSF") based on the net present value of the Lease over its maximum term using a 10 percent annual discount rate (the "NPV"). For a typical Lease, which will have an NPV of less than \$1 million,

the CSF will be the greater of five percent (5.0%) of the NPV or \$5,000. For any higher value Leases (above \$1 million), the CSF will equal \$50,000 plus:

- 4% on NPV amounts between \$1 million and \$2 million, plus
- 3% on NPV amounts between \$2 million and \$3 million, plus
- 2% on NPV amounts between \$3 million and \$4 million, plus
- 1% on NPV amounts over \$4 million.

An example of the NPV and CSF calculations is shown in Attachment 2. Spectrum Rights Holder will ensure that the Lease requires that the CSF will be payable to Select Spectrum from any upfront or initial payment within 30 days of the Effective Date. The upfront payment for each lease must equal at least the greater of \$10,000 or ten percent (10.0%) of the total lease NPV as calculated in Attachment 2. CSF payment obligations will remain in effect for any transaction Spectrum Rights Holder completes for any of the Spectrum Rights within six months following the termination date for this Agreement as described below.

Fee Reduction

If the Bidder has signed an agreement with Select Spectrum that would result in a lessee commission payment being due from the Bidder to Select Spectrum in conjunction with the Lease, then the CSF payable to Select Spectrum under this Agreement will be reduced to equal one-half (50%) of the CSF that would otherwise apply.

Prior Agreements

If Spectrum Rights Holder previously signed a different agreement that would provide for a fee to Select Spectrum, than the fee previously agreed shall not apply and only the Fee specified in this Agreement shall apply.

Alternative Spectrum Rights Transactions

To the extent allowed by FCC rules, Spectrum Rights Holder and lessee may choose to lease, sell or sublease the Spectrum Rights, all of which are referred to as a "Lease" in this Agreement. For the purposes of calculating and paying the CSF in any transaction where Spectrum Rights Holder or its affiliate leases, sells or subleases rights to use any of the Spectrum Rights to a Bidder or Contacted Target Lessee, the transaction will be treated the same as a qualifying Lease of Spectrum Rights; all payments will be treated as if they are Lease payments.

Representations and Warranties

Spectrum Rights Holder represents that the person signing this Agreement on behalf of the Spectrum Rights Holder is legally authorized to bind Spectrum Rights Holder to the terms hereof. Select Spectrum represents that it is a Limited Liability Company organized in the State of Virginia and that Robert Finch is legally authorized to bind Select Spectrum to the terms hereof.

Limitation on Liability; No Joint Venture

Spectrum Rights Holder understands that Select Spectrum is providing a platform for bids and the additional services specifically described herein, and does not represent Spectrum Rights Holder

for any purpose other than as specifically described herein. Accordingly, Select Spectrum shall not be liable hereunder for any claims, losses, or damages that Spectrum Rights Holder may incur as a result of the Spectrum Lease Auction described herein. This Agreement does not create a joint venture or partnership between Spectrum Rights Holder and Select Spectrum.

Termination

This Agreement shall terminate one year following the First Bid Date.

Approval

If the terms and conditions described in this letter are acceptable, please confirm by completing and signing the attached Signature Page. Then please scan the signed Agreement and send it to jbridges@selectspectrum.com, and we will reply by email with a fully executed Agreement attached.

Signature Page

Select Spectrum hereby accepts and agrees to the terms and conditions described in the foregoing Agreement.

Signature: _____

The undersigned Bidder hereby accepts and agrees to the terms and conditions described in the foregoing Agreement.

Signature: _____

Printed Name and Title: _____

Bidder Name: _____

(Company or individual)

Address: _____

Email Address: _____

Phone Number: _____

Date: _____

Attachment 1: Spectrum Rights subject to this Agreement

Call Sign

Center County

Center State

Channels

Attachment 2 – Example Spectrum Value and CSF Calculation

Example Lease Value Calculation and CSF Calculation - Licensee/Lessor
Confidential

				NPV Calculations Example Lease		
Initial Cash / month		\$6,500				
Annual Increase		3.0%		Upfront Payment		\$120,000
Services Credits not Counted as Part of Net Present Value						
Year	Term Year	Monthly Payment (\$)	Annual Payment (\$)	*NPV rate	*Resulting NPV	
2016	1	6,500	78,000	Undiscounted	0.00%	\$3,830,882
2017	2	6,695	80,340	Discount Rate	10.00%	\$1,127,250
2018	3	6,896	82,750	* For this calculation, the Net Present Value will be calculated at ten percent (10.0 %) annual discount rate.		
2019	4	7,103	85,233	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		
2020	5	7,316	87,790			
2021	6	7,535	90,423			
2022	7	7,761	93,136			
2023	8	7,994	95,930			
2024	9	8,234	98,808	Ratio of upfront to NPV (Minimum is 10%)		
2025	10	8,481	101,772	Ratio of Initial Annual to NPV		
2026	11	8,735	104,825			
2027	12	8,998	107,970	Minimum Contingent Success Fee		
2028	13	9,267	111,209	Contingent Success Fee Calculation		
2029	14	9,545	114,546	Threshold	NPV that exceeds	Positive NPV > Threshold
2030	15	9,832	117,982			CSF Percent (%)
2031	16	10,127	121,521	\$0	\$1,000,000	\$1,000,000
2032	17	10,431	125,167	\$1,000,000	\$127,250	\$127,250
2033	18	10,744	128,922	\$2,000,000	-\$872,750	\$0
2034	19	11,066	132,790	\$3,000,000	-\$1,872,750	\$0
2035	20	11,398	136,773	\$4,000,000	\$0	\$0
2036	21	11,740	140,877	Calculated CSF		
2037	22	12,092	145,103			
2038	23	12,455	149,456	CSF in each case is the greater of the minimum CSF or the CSF according to the Calculation		
2039	24	12,828	153,940	CSF Due in this Case is		
2040	25	13,213	158,558			
2041	26	13,610	163,315			
2042	27	14,018	168,214			
2043	28	14,438	173,261			
2044	29	14,872	178,458			
2045	30	15,318	183,812			
Total Annual Amounts			3,710,882			
with upfront			\$3,830,882			