USAC
Universal Service Administrative Company

Exhibit D

Schools and Libraries Program

**Demand Payment Letter**

**( Funding Year 2006: July 1, 2006 - June 30, 2007 )**

July 25, 2016

**Victor Trejo**
**CHINLE UNIFIED SCHOOL DIST 24**
**Chinl;e Unified School District #24**
**PO BOX 587**
**Chinle, AZ 86503 0587**

| | | |
|---|---|---|
| **Re:** | **Form 471 Application Number:** | **531261** |
| | **Funding Year:** | **2006** |
| | **Applicant's Form Identifier:** | **4712006010a** |
| | **Billed Entity Number:** | **143224** |
| | **FCC Registration Number:** | **0015527799** |
| | **SPIN:** | **143024659** |
| | **Service Provider Name:** | **Presidio Networked Solutions Group LLC** |
| | **Service Provider Contact Person:** | **Cynthia McCarty** |
| | **Payment Due By:** | **8/24/2016** |

You were previously sent a Notification of Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to the Notification of Commitment Adjustment Letter. A copy of that Report is attached to this letter.

The balance of this debt is due within 30 days from the date of this letter. Failure to pay the debt within 30 days from the date of this letter could result in interest, late payment fees, administrative charges, and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see https://www.fcc.gov/encyclopedia/red-light-frequently-asked-questions.

If the Universal Service Administrative Company (USAC) has determined that both the applicant and the service provider are responsible for a Program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a Program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the servic provider, then you should work with your service provider to determine who will be repaying the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Applicant" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. Make your check payable to the Universal Service Administrative Company (USAC).

Use one of the appropriate addresses listed below to send payments to USAC.

**U.S. Postal Service and Standard Mail for Payments:**

USAC
PO Box 105056
Atlanta, GA 30348-5056

**Courier and Overnight Packages:**

USAC
Lockbox 105056
1075 Loop Road
Atlanta, GA 30337
(404) 209-6377

**ACH payments:**

USAC requests that all ACH payment be sent in CCD+ format to:
ABA Routing #071000039, Account #5590045653

**Payment is due within 30 days from the date of this letter.**

Complete Program information is posted to the SLP section of the USAC website at www.usac.org/sl/. You may also contact the SLP Client Service Bureau by email using the "Submit a Question" link on the SLP website, by fax at 1-888-276-8736 or by phone at 1-888-203-8100. Contacting SLP for questions does not change the deadline for your response to this Letter.

Universal Service Administrative Company
Schools and Libraries Program

*cc: Cynthia McCarty*
*Presidio Networked Solutions Group LLC*

**Funding Commitment Adjustment Report**
**Form 471 Application Number: 531261**

| | |
|---|---|
| Funding Request Number: | 1470185 |
| Services Ordered: | INTERNAL CONNECTIONS |
| SPIN: | 143024659 |
| Service Provider Name: | Presidio Networked Solutions Group LLC |
| Contract Number: | CUSD143612 Definity Upgrade MFS |
| Billing Account Number: | Chinle Schools |
| Site Identifier: | 143224 |
| Original Funding Commitment: | $10,291.28 |
| Commitment Adjustment Amount: | $10,291.28 |
| Adjusted Funding Commitment: | $0.00 |
| Funds Disbursed to Date: | $9,895.46 |
| Funds to be Recovered from Applicant: | $9,895.46 |

Funding Commitment Adjustment Explanation:

An appeal decision dated July 22, 2016, partially approved your appeal but funding is still being denied due to the following violation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. The contract was signed on August 28, 2007, which was after the filing of the 471 (February 16, 2006). FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

Below are the violations that were approved on appeal.

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit, it was determined that the price of eligible products and services was not the primary factor in the vendor selection process. The beneficiary was not able to provide any documentation of their vendor selection process, or validate the price was the primary factor in the selection process. In addition, the applicant did not provide supporting documentation of payment of the non-discounted portion of the funding amount, which violates program rules. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

Lastly, it has been determined that this funding commitment must be rescinded in full. On your FY 2006 FCC Form 470 you certified that you reviewed and complied with all FCC, state and local procurement/competitive bidding requirements. During the course of an audit it was determined that you failed to consider all bids submitted since no bidding documentation was retained. The FCC rules require that the applicant submits a bona fide request for services by conducting internal assessments of the components necessary to use effectively the discounted services they order, submitting a complete description of services they seek so that it may be posted for competing providers to evaluate and certify to certain criteria

under penalty of perjury. Since you failed to otherwise provide detailed and specific information of the services sought, you prevented the potential bidders from formulating their bids, failed to consider all bids received, choose the most cost-effective solution and failed to comply with local and state procurement laws you violated the competitive bidding process. Accordingly, your funding commitment will be rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING

| | |
|---|---|
| Funding Request Number: | 1470257 |
| Services Ordered: | INTERNAL CONNECTIONS |
| SPIN: | 143024659 |
| Service Provider Name: | Presidio Networked Solutions Group LLC |
| Contract Number: | CUSD143613 Tsaile Definity Upgrade |
| Billing Account Number: | |
| Site Identifier: | 143224 |
| Original Funding Commitment: | $10,291.28 |
| Commitment Adjustment Amount: | $10,291.28 |
| Adjusted Funding Commitment: | $0.00 |
| Funds Disbursed to Date: | $9,895.46 |
| Funds to be Recovered from Applicant: | $9,895.46 |

Funding Commitment Adjustment Explanation:

An appeal decision dated July 22, 2016, partially approved your appeal but funding is still being denied due to the following violation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit, it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. The contract was signed on August 28, 2007, which was after the filing of the 471 (February 16, 2006). FCC rules require applicants to have a valid contract as defined by the applicants state procurement laws and regulations at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a contract in place at the time of submission of the Form 471 that meets the state laws definition of a valid contract, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

Below are the violations that were approved on appeal:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of an audit, it was determined that the price of eligible products and services was not the primary factor in the vendor selection process. The beneficiary was not able to provide any documentation of their vendor selection process, or validate the price was the primary factor in the selection process. In addition, the applicant did not provide supporting documentation of payment of the non-discounted portion of the funding amount, which violates program rules. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds.

Lastly, it has been determined that this funding commitment must be rescinded in full. On your FY 2006 FCC Form 470 you certified that you reviewed and complied with all FCC, state and local procurement/competitive bidding requirements. During the course of an audit it was determined that you failed to consider all bids submitted since no bidding documentation was retained. The FCC rules require that the applicant submits a bona fide request for services by conducting internal assessments of the components necessary to use effectively the discounted services they order, submitting a complete description of services they seek so that it may be posted for competing providers to evaluate and certify to certain criteria under penalty of perjury. Since you failed to otherwise provide detailed and specific information of the services sought, you prevented the potential bidders

from formulating their bids, failed to consider all bids received, choose the most cost-effective solution and failed to comply with local and state procurement laws you violated the competitive bidding process. Accordingly, your funding commitment will be rescinded in full and USAC will seek recovery of any disbursed funds from the applicant.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING

Cynthia McCarty
Presidio Networked Solutions Group LLC
1955 Lakeway Drive
Suite 220
Lewisville, TX 75057