

E. Non-recurring Construction Fee

In consideration for Phonoscope constructing the District's additional sites, the District agrees to pay the sum of One Million Five Hundred Ninety-Three Thousand One Hundred Twenty Dollars (\$1,593,120.00). This amount shall be payable by the District, as described in Service Order 6, Table A.3.

F. Services and Equipment

Phonoscope will provide turnkey installation of the Service including provisioning of the necessary equipment and port density to provision the Services. The District connections will be terminated with a fiber optic multi-mode SC connection, provided by the District. Service to each site will be provisioned from a designated District node site through a Phonoscope managed network device.

G. The District's Billing Address

Houston ISD
3830 Richmond Avenue
Houston, Texas 77027
Billing contact: James Liechty
Phone: (713) 892-6225 ext. 318
e-mail: jliechty@houstonisd.org

H. Phonoscope's Remittance Address

Phonoscope Education Network, Inc.
6105 Westline Drive
Houston, Texas 77036

I. Representatives

For Phonoscope:

Robert Jacobs
IT & Data Services Mgr.

Phonoscope Communications, Inc.
Phone: (832) 615-7742
e-mail: robert@phonoscope.com

For the District:

Bill Edwards
Title: Asst. Superintendent,
Technology & Information Systems
Houston ISD
Phone: (713) 892-6222
e-mail: bedwards@houstonisd.org

David Caddle
Vice-President of Operation
Phonoscope Communications, Inc.
Phone: (832) 615-7721
e-mail: dcaddle@phonoscope.com

It is requested that the District assign a technical representative and that the individual be available during the installation process.

I. Agreements

All services performed under this Service Order are subject to the terms of the Fiber Optic Network Lease Agreement executed on or about 02/04/02 and any Addendums thereto, including, but not limited to Addendum #1 executed on or about 03/13/03 between Phonoscope and the District. Special conditions are noted on this form.

J. Infrastructure Compatibility

The District is required to provide a Gbe SX interface at each location for provisioning of this network.

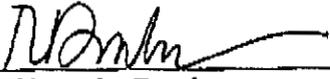
The District hereby authorizes Phonoscope to set up an account in its name and to enter its place of business to activate the network service. The District acknowledges that a Phonoscope Service Representative will contact the District to confirm and schedule the order.

IN WITNESS WHEREOF, Phonoscope and the District have executed this Change Order #1 as evidenced below:

PHONOSCOPE, LTD.

By: Phonoscope Management, L.C., its
General Partner

2-17-05
(Date signed)

By: 
Rhonda Druke,
Manager

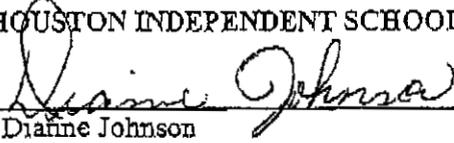
PHONOSCOPE EDUCATION NETWORK, INC.

2-17-05
(Date signed)

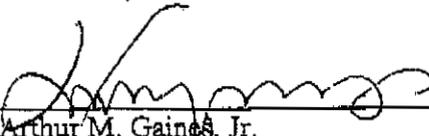
By: 
Rhonda Druke
President

HOUSTON INDEPENDENT SCHOOL DISTRICT

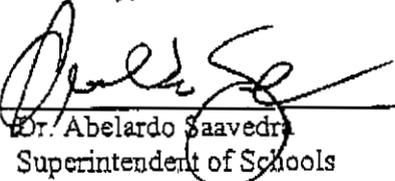
2/03/05
(Date signed)

 2/03/05
Dianne Johnson Date
President, Board of Education

2-3-05
(Date signed)

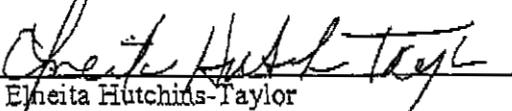
 2-3-05
Arthur M. Gaines, Jr. Date
Secretary, Board of Education

2-18-05
(Date signed)

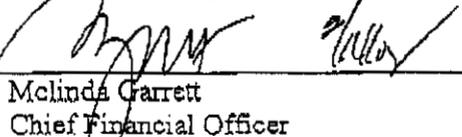
 2/18/05
Dr. Abelardo Saavedra Date
Superintendent of Schools

2-1-05
(Date signed)

APPROVED AS TO FORM ONLY:

 2-1-05
Elneta Hutchids-Taylor Date
HISD General Counsel

APPROVED AS TO FUNDING AND BUSINESS TERMS:


Melinda Garrett Date
Chief Financial Officer

R.42

Service Order 6, Table A.3

School Site Name	Hub Site Name	Site Address	Total Construction Cost	Year One Construction Cost Amortization SLD	Year One Construction Cost Amortization on HISD \$2,821.15	Year Two Construction Cost Amortization SLD	Year Two Construction Cost Amortization on HISD	Year Three Construction Cost Amortization SLD	Year Three Construction Cost Amortization on HISD	Service Fee	Estimated Completion Date
1. ALCOTT ES	Worthing	5859 Belfort 12001	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
2. BARRICK ES	Houston	Winfrey	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
3. BASTIAN ES	Worthing	7350 Calhoun	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
4. BELLFORT SCHOOL	Milby	7647 Belfort 7501 Curry Road	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
5. BOWIE ES	Houston		\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
6. BRIARMEADO WMS	Lee	3601 Dunvale 713	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
7. BRUCE ES	Wheatley	Bringhurst 960 South Wayside	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
8. CARRILLO ES	Austin		\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
9. CEP SOUTHEAST (CEP Ferrndale)	Milby	8805 Ferrndale	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
10. CEP SOUTHWEST (CEP Beechout)	Lee	7055 Beechnut 5225	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
11. CODWELL ES	Worthing	Travenor 6767	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
12. DANIEL ORTIZ MS	Milby	Telephone	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
13. DOGAN ES	Wheatley	4202 Liberty	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
14. DOUGLASS ES	DeBaKey	3000 Trulley 4803	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
15. DURHAM ES	Waltrip	Brinkman	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
16. EASTWOOD ACADEMY	Austin	1315 Dumble	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
17. HARTSFIELD ES	DeBaKey	5001 Perry	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
18. HENDERSON, JP ES	Austin	1800 Dismuke 12425	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
19. JUDSON ROBINSON ES	Wheatley	Woodforest Dr.	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD

R.4

School Site Name	Hub Site Name	Site Address	Total Construction Cost	Year One Construction Cost Amortization SLD	Year One Construction Cost Amortization on HISD \$2,821.15	Year Two Construction Cost Amortization SLD	Year Two Construction Cost Amortization on HISD	Year Three Construction Cost Amortization SLD	Year Three Construction Cost Amortization on HISD	Service Fee	Estimated Completion Date
20. KAY ON-GOING EDUCATION MS	Waltrip	4425 North Shepherd	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
21. CARTER CAREER CTR	Wheatley	1700 Gregg	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	1725.42	
22. LAS AMERICAS (KALEIDOSCOPE, Early, MS)	Lee	5909 Glenmont	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
23. LAWES	Worthing	12401 South Coast	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
24. OSBORNE ES	Waltrip	800 Ringold	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
25. SANDERSON ES	Wheatley	7115 Lockwood	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
26. SCHOOL AT POST OAK (GALLERIA)	Lee	1331 Augusta	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
27. SMITH, K ES	Waltrip	4802 Chrystell	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
28. STEVENSON MS	Milby	9595 Winkler	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
29. TSU ES	DeBakey	3805 Burkett	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
30. WESLEY ES	Waltrip	800 Dillard	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
31. WOODSON ES	Worthing	10720 Southview	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD
32. YOUNG SCHOLARS	White	1809 Louisiana	\$49,785.00	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$13,773.85	\$2,821.15	\$1,725.42	TBD

TBD

\$1,593,120.00 \$440,783.20 \$90,276.80 \$440,783.20 \$90,276.80 \$440,763.20 \$90,276.80 \$55,213.44

Total Construction Cost:	\$1,593,120.00
Service Fee	\$55,213.44
Total Number of Sites:	32
Expected E-Rate Funding	83%
Expected HISD Funding	17%
Amortization Period (Years)	3

Totals: \$531,040.00 \$531,040.00 \$531,040.00 = FRN 1224895

FRN 1224900

R.4

Resulting Agreement from 470 # 6515 7000 501547

**Addendum #1 to the
Fiber Optic Network Lease Agreement**

Service Order 7

WHEREAS, The District has previously awarded to Phonoscope the Request for Proposal, Project Number 00-11-6 for a District Wide Area Network Fiber Optic Network and the parties entered into a certain Fiber Optic Network Lease Agreement ("Agreement") and Statement of Work ("Statement of Work") on or about February 4, 2002; As part of the Agreement the parties agree to incorporate the following:

A. Service Type

The District requests fifteen (15) 1 Gbe Ethernet connections each with a dedicated, high capacity, full duplex channel with a line speed of 1Gbe data using 802.3x signaling and 802.3p/q VLAN and QoS configuration. Phonoscope shall provision, manage, and maintain over Phonoscope's dedicated Gigabit Ethernet Private Network which is defined as Phonoscope's unswitched, private facilities-based metropolitan area fiber optic IP network located in the greater Houston area over which Phonoscope shall provide the District with leased Wide Area Network Services ("Services") linking the fifteen (15) sites, described in this Service Order, in a star topology terminated at a designated hub site, as described in Service Order 7, Table A.1.

B. Term of Services

The term of this Service Order 7 shall be concurrent with the Agreement with a Commencement Date of February 4, 2002 for a term of fifteen (15) years.

C. Recurring Annual Cost

In consideration for the Services provided, The District shall pay a Service fee of Twenty-Five Thousand Eight Hundred Eighty-One Dollars and Thirty Cents (\$25,881.30) on an annual basis as described in Service Order 7, Table A.1.

D. Invoicing

On the sites described in this Service Order #7, Phonoscope will invoice the District at its then current USAC approved discount rate [currently Seventeen percent (17%), but may be adjusted to conform with any change in the District's approved discount rate]. Phonoscope will invoice the SLD or the USF Administration Designee the remaining Eighty-Three percent (83%) of the contracted amount. Invoices for the Service Fees will be submitted on a work completion basis as described in Service Order 7, Table A.1.

Initials:	<i>MD</i>
Phonoscope	_____
District	_____

E. Non-recurring Construction Fee

In consideration for Phonoscope constructing the District's additional sites, the District agrees to pay the sum of Four Hundred Fifty Thousand Dollars (\$450,000.00). This amount shall be payable by the District, as described in Service Order 7, Table A.1.

F. Services and Equipment

Phonoscope will provide turnkey installation of the Service including provisioning of the necessary equipment and port density to provision the Services. The District connections will be terminated with a fiber optic multi-mode SC connection, provided by the District. Service to each site will be provisioned from a designated District node site through a Phonoscope managed network device.

G. The District's Billing Address

Houston ISD
3830 Richmond Avenue
Houston, Texas 77027
Billing contact: James Liechty
Phone: (713) 892-6225 ext. 318
e-mail: jliechty@houstonisd.org

H. Phonoscope's Remittance Address

Phonoscope Education Network, Inc.
6105 Westline Drive
Houston, Texas 77036

I. Representatives

For Phonoscope:
Robert Jacobs
IT & Data Services Mgr.

Phonoscope Communications, Inc.
Phone: (832) 615-7742
e-mail: robert@phonoscope.com

David Caddle
Vice-President of Operations
Phonoscope Communications, Inc.
Phone: (832) 615-7721
e-mail: dcaddle@phonoscope.com

For the District:
Bill Edwards
Title: Asst. Superintendent,
Technology & Information Systems
Houston ISD
Phone: (713) 892-6222
e-mail: bedwards@houstonisd.org

It is requested that the District assign a technical representative and that the individual be available during the installation process.

Initials:	<u>TW</u>
Phonoscope	_____
District	_____

I. Agreements

All services performed under this Service Order are subject to the terms of the Fiber Optic Network Lease Agreement executed on or about 02/04/02 and any Addendums thereto, including, but not limited to Addendum #1 executed on or about 03/13/03 between Phonoscope and the District. Special conditions are noted on this form.

J. Infrastructure Compatibility

The District is required to provide a Gbe SX interface at each location for provisioning of this network.

The District hereby authorizes Phonoscope to set up an account in its name and to enter its place of business to activate the network service. The District acknowledges that a Phonoscope Service Representative will contact the District to confirm and schedule the order.

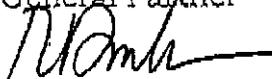
Initials:	
Phonoscope	<u>MO</u>
District	_____

IN WITNESS WHEREOF, Phonoscope and the District have executed this Change Order #1 as evidenced below:

PHONOSCOPE, LTD.

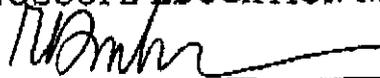
By: Phonoscope Management, L.C., its
General Partner

2-17-05
(Date signed)

By: 
Rhonda Druke,
Manager

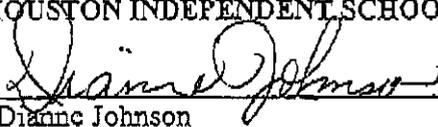
PHONOSCOPE EDUCATION NETWORK, INC.

2-17-05
(Date signed)

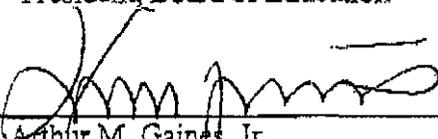
By: 
Rhonda Druke
President

HOUSTON INDEPENDENT SCHOOL DISTRICT

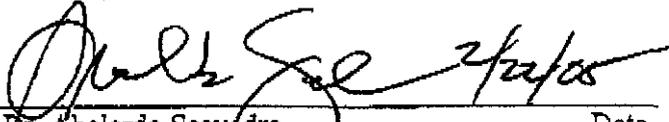
2/3/05
(Date signed)

 2/3/05
Dianne Johnson Date
President, Board of Education

2-3-05
(Date signed)

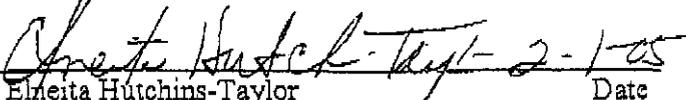
 2-3-05
Arthur M. Gaines, Jr. Date
Secretary, Board of Education

2-18-05
(Date signed)

 2/18/05
Dr. Abelardo Saavedra Date
Superintendent of Schools

2-1-05
(Date signed)

APPROVED AS TO FORM ONLY:

 2-1-05
Elzeita Hutchins-Taylor Date
HISD General Counsel

APPROVED AS TO FUNDING AND BUSINESS TERMS:

 2/1/05
Melinda Garrett Date
Chief Financial Officer

Service Order 7
Table A.1

FRN:
1224906

FRN:
1224914

School Site Name	Hub Site Name	Site Address	Total Construction Cost	Service Fee
1. Central District	LMHS	3701 W. Alabama, Suite 240, 77027-5224	\$30,000.00	\$1,725.42
2. East District	Austin	1102 Telephone Road, 77023-3126	\$30,000.00	\$1,725.42
3. North/Acres Homes Coalition District	Waltrip	6100 Knox, 77091	\$30,000.00	\$1,725.42
4. Northeast District	Wheatley	Pleasants Facility, 1305 Benson, 77020-4199	\$30,000.00	\$1,725.42
5. Northwest District	Davis	300 W. 17 th St, 77008-3902	\$30,000.00	\$1,725.42
6. South District	Worthing	4040 West Fuqua, 77045-6304	\$30,000.00	\$1,725.42
7. Southcentral District	DeBakey	7505 South Freeway (288), 77021	\$30,000.00	\$1,725.42
8. Southeast District	Milby	2922 Plum Creek Lane, 77087-2524	\$30,000.00	\$1,725.42
9. Southwest District	Westbury	11544 S. Gessner, 77071-2297	\$30,000.00	\$1,725.42
10. West District	Lee	2500 Tanglewilde, Suite 340, 77063-2125	\$30,000.00	\$1,725.42
11. West Central District	Lee	5827 Chimney Rock, 77081-2714	\$30,000.00	\$1,725.42
12. Rodgers, Will Community Services Alternative School/3D Academy	LMHS	3101 WESLAYAN, 77027-5709	\$30,000.00	\$1,725.42
13. Carter Career HS	Sam Houston	4610 Crosstimbers, 77016-6399	\$30,000.00	\$1,725.42
14. South District Alternative	Wheatley	1700 Gregg 77020-2221	\$30,000.00	\$1,725.42
	Westbury	3555 Belfort 77051	\$30,000.00	\$1,725.42
		Totals:	\$450,000.00	\$25,881.30
Total Construction Cost:	\$450,000.00			
Service Fee	\$25,881.30			
Total Number of Sites:	15			
Expected E-Rate Funding	83%			
Expected HISD Funding	17%			

R. 49

Initials:
 Phonoscope
 District