

have under this Contract or otherwise by law, to terminate this Contract by giving written notice to take effect immediately. The right of either Party to terminate hereunder shall not be affected in any way by its waiver of or failure to take action with respect to any previous default.

Article 13 - Governing Law

These terms and conditions and the transactions contemplated hereby shall be governed by, and construed and enforced in accordance with the laws of the State of California.

Article 13 - Entire Contract/Amendments

This Contract contains the entire understanding of the Seller and Buyer with respect to the matters contained herein. There are no promises, covenants or undertakings other than those expressly set forth herein. This Contract may not be modified or amended except by writing and signed by the Seller and Buyer. If any of the provisions of this Contract are declared to be invalid, such provisions shall be severed from this Contract and the other provisions hereof shall remain in full force and effect.

Article 14 - Attestation

Agreed to this 25 day of October, in the year 2006

By: Rany Polany  Official Title: President

On behalf of PWT IT Solutions, Inc.  Seller

I certify that I am authorized to act and sign on behalf of Seller and that Seller is bound by my actions.  [initial] 

By:  Official Title: ASST. SUPERINTENDENT, BUS. SVC

On behalf of FRANKLIN-MCKINLEY SCHOOL DISTRICT, Buyer

I certify that I am authorized to act and sign on behalf of Buyer and that Buyer is bound by my actions.  [initial]



E-Rate Switches * FMSD8-025 Process

	E-Rate Team Meeting to determine what to apply for	(6)	VL
	Eligibility Matrix created		VL
	Specs and Scope of work for bids completed		DJ
	Form 470 Filed		VL
1/6/2005	Bid Opening		VL / DJ
1/31/2005	Form 470 Acknowledgment Letter		SLD
2/8/2005	Award of Bid # FMSD8-025 E-Rate Switches to Monterey Information Technologies, contingent of E-Rate funding		VL
2/16/2005	Form 471 Filed		VL
2/17/2005	Attachment 21 sent to USAC; consisting of Bid Form and equipment and pricing document		VL
3/14/2005	Form 471 Acknowledgment Letter		SLD
9/21/2005	Funding Commitment Decisions Letter "As Yet Unfunded"		SLD
7/12/2006	Funding Commitment Decision Letter "Funded"		SLD
7/19/2006	Call to support regarding next steps to 'Funding' due to the late acceptance. CASE # 21-447429		DJ
8/14/2006	Email from Karen Hulmes requesting a contract, signed by both parties.		SLD
8/14/2006	Called Karen Hulmes informing that we used the Bid Form as our contract; Advised to establish a new contract		DJ
10/25/2006	Faxed new contract signed by both parties to Karen Hulmes		DJ
11/6/2006	Call to support regarding a date problem with the Form 486 filing CASE # 21-492031		DJ
11/7/2006	Sent Form 500 to request an adjustment to FRN's expiration date		DJ
11/14/2006	FMSD & MIT planning meeting to prepare for the purchase and installation of switches		DJ
11/28/2006	Per request, the Attachment 21 was faxed to Karen Hulmes again.		SLD/DJ
12/8/2006	Form 500 approved		SLD
12/8/2006	Email from Karen concerned with Bid Form as a contract, which was missing signatures from both parties.		SLD

E-Rate Switches * FMSD8-025 Process

12/8/2006	Replied to Karen that the Bid Form is what we had used in the past and had always been accepted. Stated that a new contract with the original Service Provider and FMSD signatures was faxed on October 25, 2006 to her.	DJ
12/20/2006	Form 486 filed	DJ
12/21/2006	Work on the project started.	DJ
	Notification of Commitment Adjustment (received on 1-24-2007 and filed away.)	SLD
	Purchase Reg completed	DJ
	PO RE 710737 completed	DJ
	Bear Form completed	DJ
	Bear Form Notification Letter	SLD

Information Technology Department
645 Wool Creek Drive * San Jose, CA 95112
Office: 408-283-6092 * Fax: 408-283-6066

**Franklin-McKinley
School District**

Fax

To: Edward Allen

From: Delma Juarez

Fax: (202) 225-3336

Pages: 15

Phone:

Date: 6/26/2007

Re: E-Rate Letters

CC:

Urgent For Review Please Comment Please Reply Please Recycle

Hi Edward,

Attached you will find the additional information you requested for your review.

Please call (or e-mail) me if you have any questions or need additional information.

Thank you for your time and consideration of this matter.

Delma ☺

Delma S. Juarez
Director of Information Technology
Franklin-McKinley School District
645 Wool Creek Drive * San Jose, CA 95112
Office: 408.283.6036 * Fax: 408.283.6066
Cell: 408.472-6792
delma.juarez@fmsd.org

PWT = Router
Switches
VoIP



Universal Service Administrative Company
Schools & Libraries Division

Window.....

120 DAYS

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2005: 07/01/2005 - 06/30/2006)

July 12, 2006 → 11-9-06

Delma Juarez
FRANKLIN MCKINLEY SCHOOL DISTRICT
645 WOOL CREEK DR
SAN JOSE, CA 95112-2617

Re: Form 471 Application Number: 477732
Funding Year 2005: 07/01/2005 - 06/30/2006
Billed Entity Number: 144318
Billed Entity FCC RN: 0012890588
Applicant's Form Identifier: 8-25262729

Thank you for your Funding Year 2005 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$826,856.96 is "Approved."

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- ✓ - Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- ✓ - Review technology planning approval requirements
- ✓ - Review CIPA Requirements
- ✓ - File Form 486
- ✓ - Invoice the SLD using the Form 474 (service provider) or Form 472 (Billed Entity) - as products and services are being delivered and billed

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant.

- Applicant BEN and service provider SPIN,
 - Form 471 Application Number as assigned by the SLD,
 - "Funding Commitment Decision Letter for Funding Year 2005," AND
 - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
 4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by the SLD's decision.
 5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on our web site at www.sl.universalservice.org. Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

To submit your appeal to the SLD by fax, fax your appeal to (973) 599-6542.

To submit your appeal to the SLD on paper, send your appeal to:

Letter of Appeal
 Schools and Libraries Division
 Box 125 - Correspondence Unit
 80 South Jefferson Road
 Whippany, NJ 07981

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use either the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our web site. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the Universal Service Administrative Company (USAC) and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
 Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by the SLD.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connections requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

CATEGORY OF SERVICE: The type of service ordered from the service provider, as shown on your Form 471.

FORM 470 APPLICATION NUMBER: The Form 470 Application Number associated with this FRN from Block 5, Item 12 of the form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SERVICE START DATE: The Service Start Date for this FRN from Block 5, Item 19 of your Form 471.

CONTRACT EXPIRATION DATE: The Contract Expiration Date for this FRN from Block 5, Item 20b of your Form 471. This will be present only if a contract expiration date was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This will be present only for "site specific" FRNs.

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: The number of months of service that has been approved in the funding year. This will be present only for recurring services.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 231, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the "Funding Commitment Decision."

FCDL DATE: The date of this Funding Commitment Decision Letter (FCDL).

WAVE NUMBER: The wave number assigned to FCDLs issued on this date.

FUNDING COMMITMENT REPORT
Billed Entity Name: FRANKLIN MCKINLEY SCHOOL DISTRICT
BEN: 144318
Funding Year: 2005

Form 471 Application Number: 477732
Funding Request Number: 1319283
Funding Status: Funded
Category of Service: Internal Connections
Form 470 Application Number: 673090000517979
SPIN: 143020490
Service Provider Name: Monterey Information Technologies
Contract Number:
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$539,722.02
Pre-discount Amount: \$539,722.02
Discount Percentage Approved by the SLD: 85%
Funding Commitment Decision: \$456,763.72 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: The dollars requested were reduced to remove the cost associated with ineligible Tripp Lite Power Strips. The shared discount was corrected.

> Switches

\$80,958

FCDL Date: 07/12/2006
Wave Number: 052

Funding Request Number: 1319378
Funding Status: Funded
Category of Service: Internal Connections
Form 470 Application Number: 673090000517979
SPIN: 143020490
Service Provider Name: Monterey Information Technologies
Contract Number:
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$418,213.43
Pre-discount Amount: \$418,213.43
Discount Percentage Approved by the SLD: 85%
Funding Commitment Decision: \$355,481.42 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: The dollars requested were reduced to remove the costs associated with products and services to ineligible sites i.e., Franklin, Santee and Fair. The shared discount was corrected.

> VOIP

FCDL Date: 07/12/2006
Wave Number: 052

FUNDING COMMITMENT REPORT
Billed Entity Name: FRANKLIN MCKINLEY SCHOOL DISTRICT
BEN: 144318
Funding Year: 2005

Form 471 Application Number: 477732
Funding Request Number: 1319418
Funding Status: Funded
Category of Service: Internal Connections
Form 470 Application Number: 673090000517979
SPIN: 143020490
Service Provider Name: Monterey Information Technologies
Contract Number:
Billing Account Number: N/A
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$14,837.43
Pre-discount Amount: \$14,837.43
Discount Percentage Approved by the SLD: 85%
Funding Commitment Decision: \$12,611.82 - FRN approved; modified by SLD
Funding Commitment Decision Explanation: The shared discount was corrected.

> Routers

FCDL Date: 07/12/2006
Wave Number: 052

IMPORTANT REMINDERS & DEADLINES

Billed Entity Number : 144318
Name of Billed Entity: FRANKLIN MCKINLEY SCHOOL DISTRICT

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

FCC REGISTRATION NUMBERS (FCC RNs) - Effective November 1, 2004, the FCC's Fifth Order (FCC 04-190 released August 13, 2004) requires E-rate program participants to have FCC Registration Numbers. Please continue to review our web site for additional guidance.

FORM 486 DEADLINE - The Form 486 must be postmarked no later than 120 days after the Service Start Date you report on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If you are required to have a Technology Plan, that plan must cover all 12 months of the funding year. You must indicate the name of the SLD-Certified Technology Plan Approver (TPA) prior to the commencement of discounted services for this funding year. You must indicate the name of the SLD-Certified TPA who approved your plan in your Form 486, and you must retain your approval letter and documentation of your monitoring of the progress toward your stated goals.

CHILDREN'S INTERNET PROTECTION ACT (CIPA) - Please review the CIPA guidance in the Form 486 Instructions, Section II, "IMPACT OF CIPA REQUIREMENTS ON FORM 486."

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and services are being delivered and billed, and (for BEAR Forms) the provider has been paid.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicant to pay their share ensures efficiency and accountability in the program. FCC 04-190 concluded that a presumptively reasonable timeframe for a beneficiary to pay its non-discount share is 90 days after the completion of services. If you are using a trade-in as part of your non-discount portion, please refer to the web site for more information.

DOCUMENTATION RETENTION - FCC rules require that documents demonstrating compliance with the statute and Commission rules must be retained for a period of at least five years after the last day of service delivered. See "Document Retention Requirements" in FCC 04-190 for a descriptive list of many of the documents you must retain.

SUSPENSION AND DEBARMENT - Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.

FREE SERVICES ADVISORY - Applicants and service providers are prohibited from using the Schools and Libraries Support Mechanism to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled.

Complete program information - including more information on these reminders - is posted to the SLD section of the USAC web site at www.sl.universalservice.org. You may also contact the SLD Client Service Bureau by e-mail using the "Submit a Question" link on the web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

00 486

11-6-06

#368577

SC 21019

SLD:

✓ WHAT ARE THE
TIMELINES?

120 DAYS FROM

→ 486 > LATER
DAY

✓ YEAR IS OVER
DO I HAVE TO
DO AN EXTENSION?

00119
Delma Juarez
FRANKLIN MCKINLEY SCHOOL DISTRICT
645 WOOL CREEK DR.
SAN JOSE, CA 95112-2617

TIME SENSITIVE MATERIAL

9-1-06

Print Form 500
TO CANCEL AND } DONE
TO ~~Reduce FRN~~ } 9-11-06

= AFTER WE SUBMIT
THE BEAR FORM FOR
EQUIP, ~~we must~~
DO A CHANGE OF

21-492031

11-6-06

486 will not TAKE DATE.

- DO Form 500
- 6 = 9/30/07

21-505038
- STAND OF

Schools and Libraries
Correspondence Unit
100 South Jefferson Road
P.O. Box 902
Whippany, New Jersey 07981

USAC

7-19-06
21-447429

n/a * Complete Form 500
TO Reduce Amnt.

→ 1st Complete 486

→ CAN BE DONE ANYTIME
AFTER Project starts.

* TIMELINES:

work must By

- 9/30/07

✓ must file Form 500

✓ TO change Expiration
DATE.
MUST BE 9/30/07

* Internal Connections

is OKAY FOR 2 OUT
OF FIVE years.

2005 START @ RULE

* THIS MEANS ALL INTERNAL
Connections equivalent



1-24-07

Schools & Libraries Division

21-588261

Notification of Commitment Adjustment Letter

Funding Year 2005: 7/01/2005 - 6/30/2006

January 16, 2007

**Delma Juarez
FRANKLIN MCKINLEY SCHOOL DISTRICT
645 WOOL CREEK DR
SAN JOSE, CA 95112 2617**

**Re: Form 471 Application Number: 477732
Funding Year: 2005
Applicant's Form Identifier: 8-25262729
Billed Entity Number: 144318
FCC Registration Number: 0012890588
SPIN Name: Monterey Information Technologies
Service Provider Contact Person: Lutfi Abed**

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the adjustments to your funding commitment required by program rules, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the program rule violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of the Demand Payment Letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." Please see the "Informational Notice to All Universal Service Fund Contributors, Beneficiaries, and Service Providers" at <http://www.universalservice.org/fund-administration/tools/latest-news.aspx#083104> for more information regarding the consequences of not paying the debt in a timely manner.

TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Numbers you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, Billed Entity Number, and FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter specific and brief, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal electronically, please send your appeal to appeals@sl.universalservice.org using your organization's e-mail. If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Dept. 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981.

Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Appeals Area of the SLD section of the USAC web site or by contacting the Client Service Bureau at 1-888-203-8100. We strongly recommend that you use the electronic appeals options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC web site, or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. Immediately preceding the Report, you will find a guide that defines each line of the Report.

The SLD is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on these Funding Request Numbers, a separate letter will be sent to the service provider detailing the necessary service provider action.

Please note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Please note the Funding Commitment Adjustment Explanation in the attached Report. It explains why the funding commitment is being reduced. Please ensure that any invoices that you or your service provider submit to USAC are consistent with program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Lutfi Abed
Monterey Information Technologies

A GUIDE TO THE FUNDING COMMITMENT ADJUSTMENT REPORT

A report for each E-rate funding request from your application for which a commitment adjustment is required is attached to this letter. We are providing the following definitions for the items in that report.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each individual request in your Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the applicant and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This number will only be present for "site specific" FRNs.

ORIGINAL FUNDING COMMITMENT: This represents the original amount of funding that SLD had reserved to reimburse you for the approved discounts for this service for this funding year.

COMMITMENT ADJUSTMENT AMOUNT: This represents the amount of funding that SLD has rescinded because of program rule violations.

ADJUSTED FUNDING COMMITMENT: This represents the adjusted total amount of funding that SLD has reserved to reimburse for the approved discounts for this service for this funding year. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.

FUNDS DISBURSED TO DATE: This represents the total funds that have been paid to the identified service provider for this FRN as of the date of this letter.

FUNDS TO BE RECOVERED FROM APPLICANT: This represents the amount of improperly disbursed funds to date as a result of rule violation(s) for which the applicant has been determined to be responsible. These improperly disbursed funds will have to be recovered from the applicant.

FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report for
Form 471 Application Number: 477732**

Funding Request Number: 1319283
Services Ordered: INTERNAL CONNECTIONS
SPIN: 143020490
Service Provider Name: Monterey Information Technologies
Contract Number:
Billing Account Number:
Site Identifier: 144318
Original Funding Commitment: \$458,763.72
Commitment Adjustment Amount: \$458,763.72
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$0.00
Funds to be Recovered from Applicant: \$0.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of review it was determined that the applicant did not have a contract in place at the time of submission of the Form 471. This determination was based on the documentation received from applicant indicating that they did not have a signed contract in place at the time of submission of the Form 471. FCC rules require applicants to have a contract, signed (OR signed and dated-IF CONTRACT SIGNED AFTER 10/13/2004) by both parties, at the time they submit the Form 471. Since the applicant was unable to demonstrate that they had a signed contract in place at the time of submission of the Form 471, the commitment has been rescinded in full.

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

Delma Juarez

FRANKLIN MCKINLEY SCHOOL DISTRICT

645 WOOL CREEK DR

SAN JOSE, CA 95112 2617

TRANSMISSION VERIFICATION REPORT

TIME : 06/26/2007 11:20
NAME :
FAX :
TEL :
SER.# : 000C6J201705

DATE, TIME	06/26 11:16
FAX NO./NAME	912022253336
DURATION	00:04:28
PAGE(S)	15
RESULT	OK
MODE	STANDARD
	ECM