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**Interlocal Agreement Between
Washington School Information Processing Cooperative
and Bellingham School District**

This interlocal agreement is between Bellingham School District (hereinafter "DISTRICT") and the Washington School Information Processing Cooperative, Everett, Washington (hereinafter "WSIPC").

WHEREAS, The Interlocal Cooperative Act, as amended, and codified in Ch. 39.34, RCW provides for interlocal cooperation between governmental agencies;

WHEREAS, WSIPC agrees to provide certain software and support products to the District, specifically the WSIPC IEP *Online* software on a fee basis as defined in the Master Agreement between WSIPC and Xperts Inc., ("Master Agreement") and the exhibits thereto;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is agreed as follows:

1. The parties will execute and abide by Exhibit B to the Master Agreement (Participating Entity Sublicense).
2. DURATION OF AGREEMENT-TERMINATION. The initial term of this agreement begins on the date of execution and continues through the next August 31st. Following the initial term, this agreement will automatically renew on September 1st of each year for successive one year terms, unless terminated in writing by either party for any reason prior to March 1st of the year of termination.
3. RESPONSIBILITIES OF WSIPC. WSIPC shall be responsible for maintaining and furnishing the necessary personnel, equipment, material and or/services necessary to provide the District with WSIPC'S IEP *Online* software
 1. Tier Two support will be provided by WSIPC, staffed by high skill level team members.
 2. Tier Two support will be provided by Xperts Inc. on an as needed basis.
4. RESPONSIBILITIES OF SCHOOL DISTRICT. The District will sign and thereby abide by this Interlocal Agreement and the Participating Entity Sublicense Agreement (Exhibit B). The District shall, in accordance with the aforementioned agreements:
 1. Perform all necessary actions to maintain operation of the software.
 2. Pay all license, maintenance and support fees associated with the Master Agreement (Exhibit A) to WSIPC in a timely manner.
 3. Designate two persons authorized to be contacts to request assistance, report problems, and other concerns to WSIPC and Xperts Inc.

4. Provide Tier One support to your District.
5. LICENSE FEES. WSIPC will submit an invoice for the initial license fee as well as the recurring fee upon contract signing. The District is required to furnish payment within thirty (30) days after contract signing or receipt of the invoice, whichever is earlier. See Exhibit A to the Master Agreement.
6. FUNDING. The method of funding shall be through budgeted funds or other available funds of the party for whose use the property is actually acquired. Each party accepts no responsibility for the payment of any license fees associated with IEP.*Online* software intended for use by the other party.
7. FILING. This agreement will become effective upon the date of filing as required by RCW 39.34.040.
8. INTERLOCAL COOPERATION DISCLOSURE. Pursuant to Ch. 39.34, RCW (Interlocal Cooperation Act) and to other provisions of law, WSIPC and the District hereby agree to cooperative governmental leasing and purchasing.
9. CONFIDENTIAL INFORMATION. The District acknowledges that it may receive Confidential Information of WSIPC, Xperts Inc., or other parties. In addition to the requirements of Section 4 of Exhibit B to the Master Agreement, the District agrees that it shall not use or disclose any Confidential Information for any purpose beyond those expressly permitted under this Agreement, without the written consent of WSIPC.

For purposes of this Agreement, "Confidential Information" shall mean a party's product information, source code, database design, trade secrets, know-how, ideas, concepts, techniques, any business, financial, marketing or technical information (including but not limited to programmers' notes and design level documentation), all student information data, and any other information, whether or not identified as being confidential, where the information disclosed and/or the circumstances surrounding its disclosure would lead a reasonable person to believe that the information is confidential.

Provided, however, Confidential Information shall not include any portion of information that: (1) is in the possession of the Receiving Party prior to the receipt from the Disclosing Party, free of any restrictions and disclosure and use, from a source other than the Disclosing Party; (2) is in the public domain without breach of this Agreement; or (3) is independently developed by an employee of the Receiving Party who neither had access to nor otherwise benefited from the Disclosing Party's Confidential Information.

The District shall use the same degree of care to safeguard another's Confidential Information as it would its own, but in no case less than reasonable care, including not limited to, implementation of procedures reasonably necessary to ensure that all of the District's employees, agents and consultants who will have access to such Confidential Information are bound by a written agreement substantially similar to the protections set forth in this Section, including a

Statement that is sufficient to permit a party to enforce the provisions of such agreements directly against these individuals.

Upon the earlier of the termination of this Agreement or written request by WSIPC, any and all tangible and/or electronic forms of Confidential Information, (including without limitation, copies, work papers, records and other information developed there from), shall immediately be destroyed or returned to WSIPC in accordance with WSIPC's written instructions.

Except in instances expressly excluded below, neither Party shall disclose any of the contents of this Agreement without first obtaining the written permission of the other Party.

The District will not be in breach of its non-disclosure obligations to the extent that it is legally compelled to disclose any Confidential Information pursuant to a statute, regulation or order of a court or regulatory authority, provided, that the District required to make such a disclosure immediately notifies WSIPC in writing of such requirement, and fully cooperates in taking appropriate protective measures to protect the Confidential Information as deemed necessary.

The parties acknowledge that in the event of any breach of the provisions set forth in this Article, WSIPC may suffer irreparable harm for which there is no adequate remedy at law. Therefore, WSIPC may, in addition to any other legal or equitable remedy, seek an injunction or similar equitable relief against such breach or any threatened breach.

10. HOLD HARMLESS. The District shall defend, indemnify and hold WSIPC harmless from any and all costs, expenses, and damages, including reasonable attorneys' fees, arising out of any claim alleging the District's improper release of Confidential Information.

SIGNED on this _____ day of _____, 2005

By:

Washington School Information Processing
Cooperative
2121 W. Casino Road
Everett, WA 98204-1472

Date

6/1/05

By:

Title:

CEO

By:

Bellingham School District
1306 Dupont Street
Bellingham, WA 98225-3198

Date

7/12/05

By:

Title:

Superintendent

**Exhibit A
To
MASTER AGREEMENT**

LICENSE FEES

	WSIPC Student-Central Hosting	Non-WSIPC Student - Central Hosting	WSIPC Student - District Hosted	Non-WSIPC Student - District Hosted	Non-WSIPC Member ¹
Initial License Fee	35	35	35	35	50
Recurring License Fee ²	13	13	13	13	13
Integration, Setup and Configuration	included	2	5	5	Additional
Infrastructure and Release Support	Included	Included, Except Support for SIS Interoperability Solution Provided at Cost	Minimum 100 hr. WSIPC Support Contract, Actuals in Excess of 100 hrs. Billed at Standard WSIPC Fee for Service Rate Schedule.	Minimum 100 hr. WSIPC Support Contract, Actuals in Excess of 100 hrs. Billed at Standard WSIPC Fee for Service Rate Schedule.	Additional
Training	Included	Included	Included	Included	Additional
State and Federal Reporting	Included	Included	Included	Included	Additional

(1) Fees charged by Xperts to non-WSIPC members shall be determined in Xperts' sole discretion; provided Xperts shall pay 10% of all fees collected from non-WSIPC members located in Washington State.

(2) Recurring License Fee rates shall be adjusted as set forth in Section 2 below.

1. The Initial License Fee. WSIPC shall charge each Participating Entity a one time "Initial License Fee" when a new Participating Entity enters into a Participating Entity Sublicense (the "Start Date"). The Initial License Fee shall be determined with respect to the number of "Special Education Student FTEs" serviced by the Participating Entity as of the Start Date.

2. Recurring License Fee. WSIPC shall charge each Participating Entity an annual "Recurring License Fee" for use of the Software each contract year. The term of the contract year shall be the same as the one-year term in Para. 1.4 of the Master Agreement. The Recurring License Fee is calculated on an annual basis based on the total "Special Education Student FTE" serviced by the Participating Entity in the previous contract year whether the Software was in use or not. The first year's Recurring License Fee shall be collected in advance at the Start Date. The first year's Recurring License Fee shall be prorated for the period of the Start Date to the beginning of the next contract year. Subsequently, it shall be collected at the beginning of each successive contract year. The Annual Recurring License Fee shall be determined by reference to the table below

WSIPC Enterprise Total "Special Education Student FTE"	Individual School District Fee per "Special Education Student FTE" per year
1 - 21,999	\$13.00
22,000 - 38,499	\$12.00
> 38,499	\$11.00

3. Modification of the Fees. The Initial License Fee and Recurring License Fees are collectively known as "License Fees". Beginning in the 2006 contract year WSIPC may (at its

sole discretion) increase the License Fees by an amount not to exceed the cumulative change in CPI-(U) (all U.S.) since the execution of this Agreement. Any increase above the CPI—(U) (all U.S.) shall be only as mutually agreed by WSIPC and Xperts.

5. Sharing of Fees. WSIPC shall remit to Xperts an amount equal to 70% of all License Fees charged to Participating Entities. Xperts shall remit to WSIPC an amount equal 10% of all amounts collected from non-WSIPC customers in the State of Washington.

4. Deployment Award. At the time the deployed WSIPC Enterprise Total Special Education FTE number exceeds 21,999, WSIPC will be entitled to 500 hours of Xperts customization services to be delivered in a timeframe mutually agreed to by WSIPC and Xperts. The aforementioned 500 hours shall include business analysis, programming time, quality assurance and all other time spent by Xperts and its agents with respect to the customization.

5. Pricing Adjustments. Nothing in this Exhibit A shall be deemed to require WSIPC to charge a specific price for any products or services described herein; provided however that the fees paid to Xperts pursuant to this Agreement shall not be less than 70% of the prices listed herein

**Exhibit B
To
MASTER AGREEMENT
PARTICIPATING ENTITY SUBLICICENSE**

XPERTS, INC. IEP.ONLINE

This GENERAL LICENSE AGREEMENT (this "Agreement") is made as of the 8th day of June, 2005, ("Effective Date") among the Washington State Information Processing Cooperative ("WSIPC"); Xperts, Inc., a Virginia corporation with its corporate office located at 4413 Cox Road, Glen Allen, VA 23060, and its successors and assigns ("Xperts, Inc."); and Bellingham School District, with offices located at 1306 Dupont Street, Bellingham, WA 98225-3198 ("Sublicensee").

For valuable consideration acknowledged as received, the Parties agree as follows:

Section 1. Definitions

(a) **AGREEMENT.** The term "Agreement" refers to these Terms and Conditions. These Terms and Conditions are general terms and conditions for the licensing of Xperts, Inc.'s proprietary computer software products. More than one Schedule A may incorporate these Terms and Conditions by reference.

(b) **PRODUCT.** The term "Software" means Xperts, Inc.'s IEP.Online software, all related materials, Proprietary Items (as defined herein) and Documentation (as defined herein) received by Sublicensee from WSIPC and/or Xperts, Inc.

(c) **MAINTENANCE FEES.** The term "Maintenance Fees" means Xperts, Inc.'s fees for maintenance and support as set forth in Schedule A.

(d) **USE.** The term "Use" means copying all or any portion of the Software from storage units or media onto Sublicensee's computer hardware for the purpose of processing the instructions or statements contained in the Software for internal business purposes only. Use does not include the right to sublicense, any activity to reverse engineer or decompile the Software, or copying of the Documentation (other than onto Sublicensee's computer hardware) or the right to provide timesharing, data processing, or any other similar service to any third parties.

(e) **DOCUMENTATION.** The term "Documentation" means written or electronic documentation provided with the Software.

(f) **PROPRIETARY ITEMS.** The term "Proprietary Items" shall mean any products, materials, training materials, and other documentation, tools, procedures, concepts, ideas, know-how, methodologies and intellectual capital that are proprietary to Xperts, Inc. or to a third party who has licensed such Proprietary Items to Xperts, Inc. and which have been incorporated into the Software.

Section 2. License Grant and Limitations

(a) Subject to the terms and conditions set forth in this Agreement and any attached Schedule A, and to the extent permitted by law, WSIPC grants to Sublicensee, and Sublicensee accepts, a non-exclusive, non-transferable sublicense, to Use the Software only for Sublicensee's internal business purposes, only for the Term specified in Schedule A, and only for the number of accounts, markets, or any other criteria as specified on a Schedule A.

(b) Sublicensee shall have the right to make multiple archival copies of the Software for use only in the event that the Software becomes inoperable and for security or archival back-up.

(c) WSIPC shall provide Sublicensee with unlimited electronic access to Documentation. Copying of the Documentation for internal business purposes is allowed under this Agreement.

(d) Sublicensee acknowledges that the laws and regulations of the United States restrict the export and re-export of software, including the Software and any accompanying Documentation or other related materials. Sublicensee shall not export directly or indirectly in any manner all or

part of the Software and/or related Documentation, manuals and instructional materials, and any direct product derived from the Software, such as computer models or simulations, to any country without the appropriate United States and/or foreign government licenses. Sublicensee shall not export (including over the Internet) the Software or any related materials or Documentation into any country subject to a U.S. embargo.

(e) For emphasis only and without limiting the restrictions that otherwise applies to the license granted, such license does not include any right or license, and Sublicensee agrees not to, directly or indirectly:

(1) Use the Software, Documentation, or any other Proprietary Items for any development or code analysis purposes whatsoever, including but not limited to, the creation of any software code or documentation which has the look and feel of the Software, or which is in any way similar to or competitive with any of the Software or Documentation;

(2) Encumber, transfer, rent, lease, sublicense, time-share or use the Software in any manner which would allow any third party to use or otherwise obtain the benefit of the Software;

(3) Copy (except for archival purposes and only if Sublicensee reproduces and applies all copyright notices and any other proprietary rights notices that appear on the original copies supplied by WSIPC), distribute, manufacture, adapt, create derivative works of, translate, perform or display publicly, localize, port or otherwise modify Software;

(4) Decompile, disassemble, reverse compile, reverse assemble, reverse translate, or otherwise reverse engineer the Software; use any similar means to discover the source code of or the trade secrets in the Software; or otherwise circumvent the technological measures that control access to the Software; or

(5) Permit any third party to engage in any acts set forth in clauses (1) through (4) above.

Section 3. License and Support Fees

In consideration of the Software license granted pursuant to this Agreement, Sublicensee shall pay WSIPC, or its authorized agent, the license

fees and related maintenance and support fees set forth in Schedule A under the terms therein.

Section 4. Ownership, Intellectual Property Rights, Nondisclosure, and Software Delivery

(a) For copyright purposes and for all other purposes, Xperts, Inc. shall be considered the owner of the Software and Documentation, and any copies thereof, and all copyright, trade secret, patent and other intellectual or industrial property rights therein. Physical copies of the Software shall also remain the property of Xperts, Inc., and such copies shall be deemed to be on loan to Sublicensee during the term of the license granted pursuant to this Agreement. In the event the Maintenance and Support agreement is terminated, Client may continue to use the software on an "as-is" basis. Sublicensee acknowledges that WSIPC's right to provide the sublicense granted herein arises pursuant to and is subject to a licence between WSIPC and Xperts, Inc.

(b) The Software and Documentation will be disclosed by WSIPC to Sublicensee in confidence, and Sublicensee shall take reasonable steps to prevent disclosure, copying, display, loan, publication, transfer of possession (whether by sale, exchange, gift, operation of law or otherwise) or other dissemination of the Software or Documentation, in whole or in part, to any third party without the prior written consent of WSIPC. Sublicensee shall use reasonable care to safeguard the Software and Documentation and exercise at least the same degree of care to safeguard the confidentiality of the Software and Documentation as Sublicensee would exercise to safeguard Sublicensee's confidential property, and to ensure that no person authorized to have such access shall take any action which would be in violation of this Agreement if taken by Sublicensee. Sublicensee shall promptly report to WSIPC any actual or suspected violation of this subsection and shall take further steps as may reasonably be requested by WSIPC to prevent or remedy any such violation.

(c) Sublicensee shall not alter or remove any copyright, trade secret, patent, proprietary and/or other legal notices contained on or in copies of the Software and Documentation. The existence of any such copyright notice on the Software or Documentation shall not be construed as an

admission, or be deemed to create a presumption, that publication of such materials has occurred.

(d) Sublicensee acknowledges that the Software will be delivered by WSIPC electronically. Unless otherwise referenced in a Schedule A, upon execution of this Agreement and the related Schedule A, WSIPC will download the Software to a WSIPC server and provide Sublicensee with secured access codes and/or passwords in order to download the Software.

(e) Sublicensee hereby grants WSIPC the right to access the Software monthly at a time and date that is mutually agreeable to the Parties. Such access shall be for the sole purpose of determining the number of accounts or transactions (as defined in Schedule A) processed through the Software for fee calculation purposes, if applicable. WSIPC hereby agrees to access only that portion of the Software that is necessary to determine the number of accounts or transactions. For these access purposes, WSIPC does not need access to confidential data unless requested by the Sublicensee.

Section 5. Warranty, Indemnity, and Limitation of Liability

(a) WSIPC and Xperts warrant that the Software will substantially conform to the Documentation for a period of twelve (12) months from the date of delivery of the Software to Sublicensee. In the event of any breach of this warranty, WSIPC and Xperts' sole obligation, with respect to a written claim of non-conformance by Sublicensee within the warranty period, shall be to remedy the non-conformance (either by repair or by replacement, at Xperts or WSIPC's option) or to return the license fees actually paid by Sublicensee in respect of such non-conforming Software. In the event that WSIPC or Xperts returns any license fees for any licensed Software, this Agreement, including Sublicensee's right to Use such licensed Software shall automatically terminate. Neither WSIPC nor Xperts shall have any obligation to remedy non-conformance or make any refund (i) after the warranty period expires, (ii) for claims submitted after the warranty period, or (iii) in the event that repair or replacement cannot be made or is ineffective due to any modifications to the Software made by Sublicensee.

(b) WSIPC and Xperts further warrant that the

Software, when delivered:

(1) Accepts date input, provides date output and performs calculations on dates or portions of dates without errors related to the change of century;

(2) Functions without interruption and without changes in operation as a result of the change of century; and

(3) Stores and provides output of date information in ways that are indifferent as to century.

The foregoing warranty surrounding millennium compliance shall be null and void if (i) data or other information supplied by Sublicensee or third party software is input into or combined in any way with the Software, and such Sublicensee or third party software is not itself millennium compliant; (ii) the non-compliance is due to hardware, firmware, software or data not supplied by WSIPC or Xperts, Inc.; or (iii) if Sublicensee has in any way changed the configuration or programming of the Software.

(c) WSIPC will, at its sole cost and expense, defend Sublicensee from any claim or action brought against Sublicensee based on infringement of any United States copyright or trade secret rights of any United States party resulting from Sublicensee's use of the Software under this Agreement. Sublicensee shall notify WSIPC in writing within twenty (20) business days of Sublicensee's becoming aware of the claim. WSIPC may at its sole expense and option: (i) procure for Sublicensee the right to continue to use any allegedly infringing Software; (ii) replace or modify the Software to avoid any allegations of infringement; or, (iii) if options (i) or (ii) are not commercially feasible, require a return of the Software and refund the amount of the license fees paid by Sublicensee.

WSIPC shall have no liability or obligation to Sublicensee hereunder if:

(i) the Software is used in an application or environment, or on a platform or with devices for which the Software was not designed or contemplated;

(ii) the Software has been in any way

configured or modified for Sublicensee by non-WSIPC personnel;

(iii) Sublicensee was not using the Software in accordance with the provisions of this Agreement;

(iv) Sublicensee was using any release of the Software other than the latest release, if the infringement could have been avoided by use of the latest release; or

(v) Sublicensee or any of its affiliates have an interest in any patent, copyright, or trade secret giving rise to the infringement and/or misappropriation claims.

Sublicensee shall indemnify and hold WSIPC and Xperts, Inc. harmless from any and all costs, expenses, and damages, however characterized (including reasonable attorneys' fees and court costs) resulting from Sublicensee's actions described in the foregoing subparagraphs (i) – (v).

(d) Except for the express limited warranty WSIPC and Xperts make above, Sublicensee receives no warranties or conditions, express, implied, statutory or otherwise, and WSIPC, Xperts, Inc. and their suppliers specifically disclaim any condition of quality and any implied warranties of merchantability, and fitness for a particular purpose for any products, software, or services provided under this agreement and schedules. WSIPC's and Xperts' liability for damages to Sublicensee for any cause whatsoever, except for causes of action arising out of a dispute over title, regardless of the form of any claim or action, shall not exceed all fees paid by Sublicensee for the license to use the product under this agreement. This limitation of liability specifically includes any claims for negligence by WSIPC or Xperts. Neither WSIPC nor Xperts, Inc. shall under any circumstances be liable for any damages resulting from loss of data, loss of income or use of equipment, or for any special, incidental, consequential, or indirect damages arising out of or in connection with the use or performance of the product.

Neither WSIPC nor Xperts warrant that the use of the product will be uninterrupted or error free.

Sublicensee assumes responsibility for the selection of programs and hardware to achieve Sublicensee's intended results and for the installation, use, and results obtained.

Section 6. Maintenance and Support

(a) Support services, as well as their availability shall be governed solely by the terms of a separate Maintenance and Support ("M&S") Agreement executed by the Parties. Although the economic terms and conditions of the M&S Agreement will be covered in each Schedule A attached to this Agreement, the Parties agree that said terms and conditions shall also become a part of said M&S Agreement. Once the initial M&S Agreement expires, it will be automatically renewed for additional one (1) year periods, based on the fees as described in Schedule A, if Sublicensee does not provide written notice to WSIPC at least thirty (30) days prior to the end of any M&S term.

(b) If Sublicensee terminates the M&S Agreement at any time, fees to receive M&S in the future will be calculated upon (i) the then current M&S fees, (ii) payment of all back M&S fees, and (iii) a 10% reinstatement fee on all back M&S fees for 1 year missed, 20% for 2 years missed and up to 25% for 3 or more years missed.

(c) Sublicensee understands and agrees that Xperts, Inc. may develop and market new or different Software which use part or all of the Software set out in Schedule A, and which may perform all or part of the function performed by the Software. Nothing contained in this Agreement gives Sublicensee any rights with respect to such new and different Software.

Section 7. Taxes

The license fee and all other amounts payable pursuant to this Agreement are exclusive of all federal, state, local, municipal, VAT, GST, or any other excise, sales, use, property or similar taxes and fees, now in force or enacted in the future, and all such taxes and fees (other than those based on Xperts' or WSIPC's income) shall be paid by Sublicensee. Sublicensee shall obtain and provide to WSIPC a certificate of exemption or similar document required to

exempt any transaction under this Agreement from sales tax, use tax or other tax liability set out in this Section 7. If it is determined at any point that WSIPC was required by a governmental agency to remit any tax pursuant to this Agreement, Sublicensee agrees to remit to WSIPC all such taxes and related interest.

Section 8. Term

(a) The license granted under this Agreement shall be in effect from the date of this Agreement and shall remain in effect for the term specified in each applicable Schedule A. If Sublicensee breaches any material part of this Agreement, WSIPC may, after 30 days written notice and opportunity to cure, terminate the license this Sublicense. All nonmonetary (other than payment of fees accrued but unpaid prior to termination) obligations of Sublicensee under this Agreement shall survive the termination of the license for the greater of two (2) years or the period set forth in the applicable statute of limitations.

(b) Because unauthorized use or transfer of the Software or Documentation may diminish substantially the value of such materials and irredeemably harm WSIPC and/or Xperts, Inc., if Sublicensee breaches the provisions of Sections 2 or 4 of this Agreement, the Parties agree that WSIPC and/or Xperts, Inc. shall be entitled to injunctive and/or other equitable relief, in addition to other remedies afforded by law.

Section 9. Notices

(a) All notices or other communications from one Party to the other shall be in writing and shall be personally delivered, sent via facsimile, Government mail, overnight delivery, or courier. Notice shall be deemed received: (1) upon actual receipt, if delivered personally or by courier service; (2) three (3) days after postmarked, if mailed first class, postage prepaid; (3) on the date indicated on the return receipt, if sent certified or registered mail; (4) upon confirmation, as evidenced by a fax transmittal sheet; or (5) upon confirmation of receipt by the addressee, if sent electronically.

(b) All notices to WSIPC shall be sent to the attention of the Chief Executive Officer, at the address set forth in the signature section, or if to Sublicensee, at the addresses set forth at the

beginning of this Agreement. The individual or addresses can be subsequently changed through written notice, delivered consistent with this Section.

Section 10. General

(a) Nothing in this Agreement obligates WSIPC to accept any order placed by Sublicensee or any Schedule A proposed by Sublicensee. Likewise, nothing in this Agreement should be construed to create an agency, partnership, or joint venture between the Parties and neither Party is authorized to bind the other to any type of agreement or business transaction or to make any representation to any third party upon behalf of the other Party.

(b) The validity, construction and interpretation of the Agreement, and the rights and duties of the Parties shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law provisions. In the event of any conflict between the rules and regulations of the United States versus the rules and regulations of any international law, the laws of the United States shall govern. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

(c) This Agreement shall not be deemed or construed to be modified, amended, or waived, in whole or in part, except by written agreement of WSIPC, Xperts, Inc. and Sublicensee. No modifications of this Agreement shall be valid by either Party's use of any order form, purchase order, acknowledgement, license or shrink-wrap or boxtop license or other form containing additional or conflicting terms.

(d) All terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their successors and assigns and legal representatives. Sublicensee may not, however, assign this Agreement nor any right granted hereunder, in whole or in part. Sublicensee shall not be permitted to transfer this Agreement to a competitor of Xperts, Inc. A competitor of Xperts, Inc. shall mean any entity that sells or promotes similar products or services as those offered by Xperts, Inc.

(e) Section titles in this Agreement (including Schedule A) are for reference purposes only and shall not control or alter the meaning of the

Agreement as set forth in the text.

(f) If any provisions of this Agreement or the application of any such provision shall be held by a tribunal of competent jurisdiction to be contrary to law, the remaining provisions of this Agreement shall continue in full force and effect. Any clause deemed contrary to law shall be replaced by a valid provision that most closely reflects the intent of the stricken clause as determined by said tribunal. The Parties acknowledge and agree that each Party, along with their respective legal counsel, has had the opportunity to review and modify this Agreement. Accordingly, in the event of any ambiguity, such ambiguity shall not be construed in favor of, or against either Party.

(g) Non-performance of either Party shall be excused to the extent that performance is rendered impossible by war, strike, fire, flood, governmental acts or orders or restrictions, failure of suppliers, lack of transportation, or any other reason where failure to perform is beyond the control and not caused by the negligence of the non-performing Party.

(h) Sublicensee agrees to comply with all applicable United States export regulations and restrictions licensed herein and associated Documentation.

(i) Xperts, Inc. and WSIPC shall be entitled to enforce the terms and provisions hereof.

(j) This License Agreement and the related Schedule A's are the entire license agreement between the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of parties hereto and there are no warranties, representations and/or agreements between the Parties in connection with the subject matter hereof except as specifically set forth and referred to herein.

(k) The validity, interpretation and enforcement of this Sublicense shall be governed by the laws of the State of Washington and any applicable Federal laws. The parties consent to jurisdiction and venue in the State of Washington for any legal proceeding or mediation of any dispute relating to this Sublicense agreement.

(l) All disputes under this Sublicense agreement will be referred to mediation by a mediator acceptable to the Parties, and if any dispute is not resolved following the Parties' mutual, good-faith efforts at mediation, then such dispute shall be referred to private, binding arbitration under Ch. 7.04 RCW, by a single arbitrator agreed upon by the parties or, if the parties cannot agree with ten day of either party's notice of arbitration, by a single arbitrator appointed by the court.

IN WITNESS WHEREOF, WSIPC, Xperts, Inc. and the Sublicensee have caused this agreement to be executed and represent that the persons whose signatures appear below are duly authorized to execute this Agreement.

Bellingham School District
Signature: Dale E. Kinsley
Name: DALE E. Kinsley
Title: Superintendent

XPERTS, INC.

Signature: Paul J. Mancini
Name: Paul J. Mancini
Title: VP/COO

WSIPC
Signature: Jeffrey A. Conklin
Name: Jeffrey A. Conklin
Title: CEO
7-20-05