

**RISK FREE
TELECOMMUNICATION
PARTICIPATION AGREEMENT**

This Agreement has been structured as a Risk-Free Participation Agreement as there are no up-front fees or any requirements for the clients to pay any audit expenses unless with prior approval.

If the Telecommunication Audit does not produce refunds, credits or documented reductions in future telecommunication cost for the client, there is no fee due.

This agreement is entered into by and between _____, a political subdivision of the State of _____, (Identified as Client) acting by and through its duly elected governing authorities, and The Telecom Audit Group, LLC, an Alabama Limited Liability Company(collectively the known as the Parties) this ____day of _____, 2016.

WITNESSETH:

WHEREAS: The Client desires to insure maximum efficiency and economic responsibility in the purchase and use of its telecommunications services and equipment for the benefit of the Client, its Citizens and Taxpayers; and

WHEREAS: The Telecom Audit Group personnel has the knowledge and expertise to achieve maximum efficiency and economic responsibility in the purchase and use of telecommunication services, telecommunication equipment for the client. They do this by recovering past overcharges for such services, equipment, removing unnecessary costs, and future overcharges; and

WHEREAS: The Client desires to secure the services of The Telecom Audit Group to achieve maximum efficiency in its Telecommunication Services.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants setout herein, the Parties do hereby contract, covenant and agree as follows:

ARTICLE ONE

SCOPE OF SERVICES

Section 1.01 Auditing Services:

- The Telecom Audit Group will conduct an audit of past and present billing, which cover services and equipment furnished by the Provider to identify improper charges and errors, including, but not limited to, excessive tariffs, excessive features, inflated billings, re-grades, and over- provisioning of lines and features.
- The Telecom Audit Group will also conduct a review of all contracts and agreements between the Client and the Provider to determine contractual compliance in existing telecommunication services.

Section 1.02 Over Charge Recovery:

- If it is determined a Provider has in the past or is presently overcharging a client in error, The Telecom Audit Group will ascertain the amount of the overcharge and take action to recover the amount charged in error according to the terms allowed by law, or practically feasible.

Litigation:

- In the event litigation is required to recover the overcharge,
- the client will be consulted and will be the one to determine if they wish to pursue the claim.
- Any litigation undertaken will be at the expense of the Client.
- In the event of litigation, the Telecom Audit Group will provide litigation support in the form of documentation of the overcharge and testimony if required.

Section 1.03 Reduction in Cost:

- The Telecom Audit Group will advise the Client in writing of corrective actions which may be taken to achieve a cost savings in present and future billings.
- The Client is not required to accept any recommendation from the Telecom Audit Group or carry out any corrective actions suggested by the Telecom Audit Group.
- If the Client chooses to not implement a recommendation within a 18 month period from the date of the written suggestion, then there is no fee.

Section 1.04 Authority to take action

- Before any action is taken regarding changes to the Clients billing which will have an affect on the Client's Telecommunication Service,
- The Telecom Audit Group will submit a written recommendation to the client which they will approve before any changes are made.
- With this written permission, the client gives The Telecom Audit Group the permission to act on its behalf, to carry out any action the client has approved.

ARTICLE TWO

OBLIGATIONS OF THE CLIENT

Section 2.01 Access to records

- The Client shall provide access to all billings and records in its possession reasonably necessary for Telecom to carry out the audits and other services provided for in this agreement.
- The Client shall provide copies, at Client's expense of such copies as may be requested by Telecom Audit Group.
- The Client shall allow The Telecom Audit Group, upon request to review all telecommunication billings during the term of the agreement.

Section 2.02 Letter of Authority

- The Client shall execute and deliver to The Telecom Audit Group a letter of authority or other documents or instruments as needed to authorize The Telecom Audit Group

to act on the behalf of the Client when dealing with any provider or other party in carrying out the services provided for in this agreement. Such instruments shall include the authority to request and but not limited to copies of billings and other documents from the provider.

Section 2.03 Changes in Services and Equipment

- The Client will keep The Telecom Audit informed of any decision being considered, or changes that will alter the format or structure of the Client's Telecommunication System during the term of the agreement.

Section 2.04 Observance of Spirit of Agreement

- During the life of the agreement, the Client and The Telecom Audit Group shall observe and comply with the spirit of this agreement.
- The Client has authorized The Telecom Audit Group to perform its duties under this agreement, and the Client will not hinder, restrict, delay or compete with The Telecom Audit Group in the performances of its duties.

ARTICLE THREE

PAYMENT

Section 3.01 Recovery Fee

- If The Telecom Audit Group recovers an overcharge for the Client, as described in Section 1.02,
- The Client shall pay The Telecom Audit Group a recovery fee equal to Fifty percent (50%) of the overcharge amount recovered.
- It is understood 100% of all credits or refunds recovered will be sent directly to the Client by the provider.
- It is understood once the refund or credit has been received the fee is due to The Telecom Audit Group.

Section 3.02 Corrective Action Fee

- If the Client realizes a reduction in cost through the implementation of corrective actions taken, as described in section 1.03,
- the client shall pay The Telecom Audit Group a corrective action fee of Fifty percent (50%) for a 18 month period.
- This fee is not due until the benefit is determine after review of client's billing reflecting the benefit of the recommendation.
- This Payment period does not start until the 1ST Invoice is sent and considered to be the first of 18 payments for that savings created.
- This review is done monthly before invoicing for benefit of savings

**ARTICLE FOUR
INDEMNIFICATION**

Section 4.01 Indemnification

- Telecom hereby agrees at all times to defend, indemnify and hold the Client harmless from and against any and all liability, losses, or costs arising from claims for damages, or suits for or damage, including without limitation, reasonable attorney fees, which arise as a result of the performance of or the failure to properly perform its duties under this agreement, whether such claims are asserted before or after the termination of this agreement.

**ARTICLE FIVE
TERMS AND TERMINATION**

Section 5.01 Term

This Agreement shall be effective from _____ day of _____ 2016, and shall continue for a primary term of 18 months.

Section 5.02 Renewal

At the end of the primary term of this agreement it will renew monthly unless terminated in writing as set out in section 5.03.

Section 5.03 Termination

Either party hereto may terminate this agreement at any time after the expiration of the original term or any renewal thereof by giving thirty (30) days prior written notice to the other party of its intent to terminate this agreement.

**ARTICLE SIX
DEFINITIONS**

Section 6.01 Meaning of Words and Terms

As used in this agreement, the following words or terms have the following meanings:

Original Base Cost

- Means the original monthly cost to the Client for telephone and other telecommunications services, as shown by current billings from the Provider to the Client before any Corrective Action is taken by the Client or
- By the Telecom Audit Group acting on behalf of the Client pursuant to this agreement.

Adjusted Base Cost (Mississippi Only)

Means the ordinary monthly cost to the Client for telephone and other telecommunications services, as shown by current billings from the provider to the Client, after corrective action has been taken by the client or by The Telecom Audit

Group acting on behalf of the Client pursuant to this agreement to achieve a reduction in cost.

Corrective Action

- Means action taken by the Client on the recommendation of The Telecom Audit Group or
- Action taken by The Telecom Audit Group on behalf of the Client, to reduce excessive future costs of telecommunications services to the Client
- By eliminating improper or erroneous charges, excessive tariffs, unnecessary services or features, inflated billings or other factors contributing to improper or unnecessary costs for such services to the Client.

Corrective Action Fee

Means the set fee paid by the Client to The Telecom Audit Group under the agreement for services rendered to achieve a reduction in cost.

Reduction in Cost

Means the amount of reduction in monthly costs to the Client as a result of a corrective action. The reduction in cost shall be determined by subtracting the adjusted base cost from the original base cost.

Overcharge

Means the amount of billings to the Client by the provider resulting from excessive tariff rates, unnecessary services, improper features, or improper charges billed in error.

Provider

Means any person, partnership, corporation, company or other entity which has provided in the past, is presently providing, or will in the future provide telephone and or other telecommunications services to the Client.

Services

Means any and all actions taken by The Telecom Audit Group to achieve recovery of any overcharge or to achieve a reduction in cost for the client.

Recovery Fee

Means the fee charged by The Telecom Audit Group and paid by the Client for recovery of overcharges to the Client by its providers.

Rebate

Means a sum determined by subtracting ($\frac{1}{2}$) one half of the reduction in cost from the corrective action fee when the reduction in cost is less than twice the corrective action fee, as determined over the term of the agreement, or such other period as may be agreed upon by the parties.

Gender and Number

Means words of the masculine gender shall be deemed and construed as correlative words of the feminine or neuter gender when the context indicates. Singular terms used herein shall include the plural number should the context require.

Independent Contractor

Means the relationship between the Client and The Telecom Audit Group shall be that of principal and independent contractor.

Parties in Interest

Means this agreement shall not create any rights hereunder in any third parties, but rather all rights granted herein shall inure to the benefit of and bind the Client and The Telecom Group only.

Force Majeure

Means as used herein shall include, but not be limited to, acts of God, acts of public enemy, war blockades, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, tornadoes, hurricanes, arrests and restraints of government and people, explosions, breakage, or damage due to machinery or equipment failure and any other incapacities of either party, whether similar to those enumerated or otherwise, and not within reasonable control of the party claiming inability. In the event either party is rendered unable, wholly or in part, by reason of Force Majeure to perform under this agreement, it is agreed that, upon such party's giving notice and full particulars of such Force Majeure in writing to the other party as soon as possible after the occurrence of the cause relied upon, the obligations of the party giving such notice, to the extent it is affected by Force Majeure and to the extent that due diligence is being used to resume performance as soon as reasonably possible, no liability shall be incurred therefore. Such cause shall as far as possible be remedied with all reasonable dispatch.

Remedies Cumulative

Means the rights and remedies contained in this agreement shall not be exclusive, but shall be cumulative of all other rights and remedies, now or hereafter existing, whether by statute, at law, or in equity; provided, however, that neither of the parties shall terminate the agreement except in accordance with the provisions hereof.

Multiple Counterparts

Means this agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterpart shall constitute but one and the same instrument.

Entire Agreement

Means an agreement which contains all the agreements of the Parties hereto relating to the subject matter hereof and is the full and final expression of the agreement between the Parties.

Non-Waiver

- Means failure of either party hereto to insist on the strict performance of any agreements contained herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered
- A waiver of the right to insist on or to enforce any appropriate remedy and to require strict compliance with any other obligation hereunder or
- To exercise any right or remedy occurring as a result of any future default or failure of performance.

Applicable Law

Means this agreement shall be governed by the laws of the State of _____, and the State of _____ shall be the proper venue for any legal action arising here from.

Notices

Means all notices required or permitted under this contract shall be in writing and shall be deemed received as of the date of delivery in person or by five (10) working days following deposit in a United States Postal Office or receptacle with proper postage affixed, or certified mail with return receipt requested.

Titles and Headings

Means the titles and heading of the articles and sections of this agreement has been inserted for convenience of reference only and not to be considered a part hereof, and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this agreement or any provision hereof or in ascertaining intent, if any question or intent shall arise.

Equal Employment Opportunities

Means the Telecom Audit Group will comply with all laws ordinances and policies set by the Client with regard to equal employment opportunities.

Expenses

Means the Telecom Audit Group will bear its own overhead and travel expenses. The Client shall not be liable for any expense of the Telecom Audit Group not previously approved or set out in this agreement.

THE TELECOM AUDIT GROUP

CLIENT:

By _____

By: _____

Title _____

Title: _____

Date _____ 2016

Date: _____ 2016