

DIGITAL LIBRARY FEDERATION
1752 N Street, N.W., Suite 800
Washington, D.C. 20036-2909

March 31, 2009

Council on Library and Information Resources
1752 N Street, N.W., Suite 800
Washington, D.C. 20036-2909
Attn: Mr. Charles Henry, Ph.D., President

**Re: Letter of Intent, Merger of Digital Library Federation and
Council on Library and Information Resources**

Dear Mr. Henry:

This Letter of Intent, upon its signature by Council on Library and Information Resources ("CLIR") and the Digital Library Federation ("DLF") (the "parties"), will state our mutual intent to negotiate in good faith a merger of DLF into CLIR. The merger will be subject to the negotiation, preparation, signing and performance of definitive documents. The merger and the referenced documents will in all events be subject to the approval of the Boards of Directors or Trustees of CLIR and DLF.

1. **Effective Date.** The proposed effective date for the merger is June 30, 2009, at the close of business (the "Effective Date").

2. **Surviving Organization.** The surviving organization will be CLIR. DLF will continue as a program within CLIR. The CLIR name will not change.

3. **Background; Review Committee Unanimous Recommendation.**

(a) DLF was a project of CLIR from 1995 to 2005. From 2005 to the present DLF has been a separate organization; even during this time, DLF cooperated extensively with CLIR.

(b) This month, a DLF Review Committee, including two members of CLIR's Board of Directors, found that among the most successful DLF activities were its Forum, which convenes the developer community, and its ability to coalesce interest around standards and best practices. The Committee also found that DLF has played a valuable role in giving each of its members a voice (since each DLF member is on the Board of Trustees), but with the expansion of the number of members of DLF, its structure has become unwieldy. DLF's dues are high, and DLF's members are under budgetary pressures. The Committee concluded that the current DLF dues, costs and governance structure are not sustainable, but that some DLF activities could thrive at a lower cost as programs in an allied organization with more extensive infrastructure.

(c) The Committee unanimously recommended that DLF become a sponsor-oriented program within a compatible organization, singling out CLIR as the best-qualified candidate.

4. **Endorsement in Principle by CLIR and DLF.** Soon after the issuance of the Review Committee report, majorities of the CLIR Board of Directors and the DLF Executive Committee endorsed, in principle, the Review Committee recommendations.

5. **Summary of Recommended Move by DLF to CLIR.** Under the merger proposal, DLF's key missions and programs will become a program of CLIR. Today's DLF members will become "charter sponsors" of the DLF program at CLIR, with charter sponsor dues intended to be lower than the 2008 - 2009 DLF dues. The other rights, obligations, and privileges of the charter sponsors are to be determined. DLF will be staffed at CLIR at the program level. DLF will continue, for the foreseeable future, to convene forums each year along the lines of the DLF Forums, and will also convene special thematic sessions each year. There will be an effort to attract additional sponsors and an intention to develop a multi-year business plan for the new DLF program.

6. **Activities in the Normal Course.**

(a) Through June 30, each organization will continue to carry on its activities in the normal course.

(b) Each organization will make its most recent audited financial statements and IRS Forms 990, Return of Organization Exempt From Income Tax, available to the other.

(c) Each organization will represent to the other that, except as disclosed in an exhibit to the definitive merger documents, it has no audit, inquiry or investigation pending by the IRS or other federal or state agency. Except as similarly disclosed, each organization will represent that it is not involved in any litigation and is not subject to any contract the fulfillment of which will prevent the merger or require third-party consent to it, or jeopardize the implementation of the DLF program in CLIR. Except as similarly disclosed, each organization will represent that it is not a party to any foundation or other grant which will prevent the merger or require third-party consent to it, or jeopardize the implementation of the DLF program in CLIR.

(d) As of the Effective Date, each party will state that, except as similarly disclosed, there have been no material adverse changes in its affairs or net worth as presented in the financial statements disclosed to the other party prior to the Effective Date.

7. **Assets and Liabilities of DLF.** DLF will itemize and provide to CLIR a detailed list of DLF's assets, including but not limited to intellectual property, rights in intellectual property, and contractual rights, and its liabilities, including contractual obligations.

8. **Employment and Consulting Issues.** DLF and CLIR will consult on termination or transition issues relating to consultants, employees, fringe benefits and qualified and other plans.

9. **Board of Directors of CLIR Post-Merger.** The parties do not envisage that any Trustee or officer of DLF will, solely as a consequence of the merger, become a Director or officer of CLIR.

10. **No Brokers.** No person will earn a finder's fee or broker's commission arising out of the intended merger or any actions or communications relating to it, and each party will indemnify the other against any liability for any such fee or commission arising out of the actions of the indemnifying party.

11. **Final Tax and Other Documents for DLF.** CLIR will arrange the timely preparation of a draft of DLF's final IRS Form 990 for the period ending June 30, 2009, for review, approval and signature by the officers of DLF. CLIR and the officers of DLF will do likewise for any other returns, reports or other filings required of DLF relating to a pre-Effective Date period or date. The trustees, officers and employees of DLF will cooperate with CLIR to this end, and DLF will likewise instruct its professional service providers to cooperate with CLIR for this purpose.

12. **Confidentiality.** Neither party will disclose the existence or substance of this Letter of Intent to any third party. Neither party will disclose any information obtained by one of the parties from the other pursuant to the merger process to any third party. If the proposed merger does not take place by September 30, 2009, either party may, in writing, terminate this Letter of Intent and request the prompt return of any such information, and the other organization will comply with this request. Once definitive agreements have been signed by both parties, CLIR will prepare, upon consultation with DLF, a press release announcing the intended merger.

13. **Non-Binding Nature of this Letter of Intent.** Except for the provisions of this paragraph and paragraph 12 above, DLF and CLIR agree that the terms of this Letter of Intent do not constitute a contractual agreement between them. This Letter of Intent is otherwise a conditional expression of intentions only. CLIR will instruct counsel, well before the Effective Date, to prepare definitive draft documents reflecting the details of the merger as set out in this Letter of Intent or as agreed in the period following its signing.

With best regards,

DIGITAL LIBRARY FEDERATION



by
Wendy Pradt Lougee, President

**COUNCIL ON LIBRARY AND
INFORMATION RESOURCES**



by
Charles Henry, President
Date: 31 March 2009