



Dear Blackboard Customer:

Attached please find your fully executed Blackboard agreement. You should have already been contacted about delivery of your software and/or equipment. If you have not yet been contacted regarding delivery, please contact your account manager for more information.

By implementing Blackboard, you join more than 5.4 million users and thousands of institutions that bring their academic communities online through Blackboard's award-winning platform.

Congratulations on becoming a Blackboard Customer!

Sincerely,

A handwritten signature in cursive script, appearing to read 'L. Wilkins'. The signature is written in dark ink and is positioned above the typed name of the sender.

The Blackboard Contracts Team

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College



**BLACKBOARD LICENSE AND SERVICES AGREEMENT
COVER PAGE**

The attached documents describe the relationship between Blackboard and the Customer identified below. The documents attached to this cover page will consist of the Master Terms, dated May 22, 2002, which describe and set forth the general legal terms governing the relationship, and one (1) or more schedules describing and setting forth detail about that relationship, depending upon the particular software and/or services Blackboard will provide to the Customer.

This License and Services Agreement includes this cover page, the referenced Master Terms and all Schedules that are attached to such Master Terms and are separately executed by the Parties. This Agreement will become effective when the attached Schedules are executed by authorized representatives of both Parties.

CUSTOMER INFORMATION:

Name/Company:	<u>Grand Rapids Community College</u>	Principal Contact Person:	<u>Eric Mullin</u>
Address:	<u>143 Bostwick Avenue, NE Grand Rapids MI 49503-3201</u>	Phone:	<u>616-234-4164</u>
		Fax:	<u></u>
		Billing Contact:	<u>Robert Engmark</u>
		Title:	<u>Executive Director Information Technology</u>
		Address:	<u>143 Bostwick Ave. NE, Grand Rapids, MI 49503</u>
		Email Address:	<u>rengmark@grcc.edu</u>
Initial Term of Agreement:	<u>12 Months</u>	Phone:	<u>616-234-4045</u>
		Fax:	<u></u>

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

Grand Rapids Community College Pricing Summary

SCHEDULE OF FEES

	Level of License and Support	Initial Term Fees (USD) (Year 1)	Renewal Term Fees (if applicable)
Blackboard Transaction System Software	Blackboard Transaction System - UNIX Edition	\$62,500	
Additional Maintenance for Blackboard Transaction System Software	(Specify, if gold, platinum)None	\$0	
Escrow of Source Code		\$0	
3rd party Software		\$3,000	
Blackboard Transaction System Hardware		\$122,562	
Additional Maintenance for Blackboard Transaction System Hardware	(Specify, if Silver) Basic	\$0	
3rd party System Hardware		\$74,255	
Blackboard Professional Services for Transaction Services		\$44,600	
Blackboard Professional Services for Learning Services		\$38,650	
Cards		\$9,170	
Supplies		\$14,011	
Total Fees Due:		\$368,748	

AMENDMENT No. 1

TO THE BLACKBOARD MASTER TERMS DATED MAY 22, 2002

BETWEEN BLACKBOARD INC. AND GRAND RAPIDS COMMUNITY COLLEGE

This Amendment to the Blackboard Master Terms Agreement dated May 22, 2002 ("Agreement") between Blackboard Inc. ("Blackboard") and Grand Rapids Community College ("Customer") is made as of this 19 day of December 2003 ("Amendment").


The parties hereby agree to the following terms regarding the use of the Blackboard Software by Customer:

1. The third sentence of Section 6.2, entitled Payment and Late Fees, is hereby modified read as follows:
Any undisputed, overdue amounts will bear a late fee at the rate of eighteen percent (18%) per annum or the maximum rate permitted by applicable law, whichever is less.
2. Section 9.4, entitled Governing Law, is hereby modified read as follows:
9.4 Governing Law. This Agreement shall for all purposes be governed by and interpreted in accordance with the laws of the State of Michigan. The U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

All other terms and conditions remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

BLACKBOARD


Signature
Teresa Frazier
Print Name and Title
Senior Director, Contracts
Date: 12-19-03


CUSTOMER: Grand Rapids Community College

Recommended By:


Signature
Robert A Engmark, Director of IT
Print Name and Title

Date: December 19, 2003

CUSTOMER: Grand Rapids Community College

Signature 
Print Name and Title
Robert W Partridge
Exec VP of Financial Services

**SCHEDULE A
EQUIPMENT PURCHASE**

SITE; SCHEDULE OF FEES

	Quantity	Initial Term Fees (USD)
Equipment		\$122,562
Other 3 rd Party Equipment		\$74,255
Total Fees Due:		\$196,817

This EQUIPMENT PURCHASE SCHEDULE ("Schedule") is an addendum to the Blackboard License And Services Agreement between Blackboard and Customer, including the Master Terms, dated May 22, 2002, and other Schedules incorporated therein (collectively, the "Agreement"). Capitalized terms used in this Schedule that are not otherwise defined in this Schedule shall have the meaning set forth in the Master Terms.

1. ORDERING AND DELIVERY OF EQUIPMENT

1.1 Order and Purchase Process. For so long as this Equipment Purchase Schedule remains in effect, Customer may order any Equipment set forth on Blackboard's then-standard price list, or any Equipment with respect to which Blackboard has otherwise provided a price quote, by submitting to Blackboard either a written purchase order or an authorized Blackboard price quote accompanied by payment for such equipment in the form of check or valid authorization to charge Customer's credit card account. Blackboard agrees to sell to Customer the Equipment set forth and requested in any purchase order accepted in writing by Blackboard, provided that no purchase order will be binding upon Blackboard until Blackboard accepts such purchase order in writing, and further provided that Blackboard will have no liability to Customer with respect to any purchase orders that are not accepted. No partial shipment of equipment requested pursuant to any purchase order shall constitute acceptance of the entire purchase order. Customer acknowledges that no provision of any purchase order or other similar documentation will be deemed to modify, add to, or supercede any provision of this Agreement.

1.2 Cancellation. Customer may not cancel a purchase order executed concurrently with the execution of this Agreement. However, Customer may cancel any subsequent purchase order by providing written notice to Blackboard not less than thirty (30) days prior to the relevant requested shipment date; provided that if Blackboard has incurred a charge for cancellation of such Cards or Supplies from an outside supplier then Customer first pays Blackboard a cancellation charge equaling fifteen percent (15%) of the total price of the affected purchase order.

1.3 Configuration. If identified on the Equipment Configuration form completed by Customer, Blackboard shall configure the Equipment purchased by Customer through Blackboard with the specifications as identified on the Equipment Configuration form. In configuring such Equipment, Blackboard will install the applicable Software and related components on the Equipment prior to shipment. The related components are limited to those necessary for the Software to function on the Equipment. Blackboard is not responsible for installing the most up to date related components that do not impair the Software's ability to function.

1.4 Shipment and Delivery Terms. Upon acceptance of any purchase order, Blackboard will establish a shipping date for the relevant Equipment as close as practicable to Customer's requested date, subject to Blackboard's available inventory and then-current lead time requirements, and provided that Blackboard shall be permitted to allocate its then-current inventory and other resources in its discretion. Notwithstanding the foregoing, if Blackboard is to configure the Equipment pursuant to Section 1.3, Blackboard shall endeavor to ship the Equipment within seven (7) business days of Blackboard's receipt of the Equipment. Blackboard shall not be liable for any damage or penalty arising from delay in delivery or from failure to give notice of any delay. Blackboard agrees to exercise reasonable efforts to expedite particular shipments of Equipment when so requested by Customer, provided that Customer will be charged an additional fee equal to 10 percent (10%) of the total purchase price for the item being so shipped. The Equipment is made available to the Customer on the date Blackboard ships the Equipment to Customer.

2. CONSIDERATION FOR EQUIPMENT.

2.1 Equipment Prices; Payments. In consideration for any Equipment sold to Customer pursuant to this Schedule, Customer agrees to pay to Blackboard the applicable prices set forth in Blackboard's then-standard price list, or such other price(s) as may have been provided by Blackboard to Customer in an authorized Blackboard price quote with respect to such Equipment. Customer shall additionally pay, prior to shipment of the relevant Equipment, all freight charges, insurance, and other shipping expenses applicable to delivery of such Equipment, as well as expenses for any special packing requested by Customer, all of which amounts shall be due and payable within thirty (30) days following receipt of an invoice with respect thereto. Customer shall remain responsible for all payments under this Agreement and any other agreement with Blackboard, regardless of any financing arrangements by Customer. Customer shall pay to Blackboard the amount set forth in the Purchase Order for the Equipment in accordance with the payment provisions of the Agreement.

2.2 Changes in Fees. Blackboard reserves the right to amend its Equipment price lists at any time in its discretion, provided that any increase in such prices shall not affect the amounts payable under any purchase orders accepted by Blackboard prior to the implementation of such new prices. All purchase orders submitted by Customer after implementation of any price increase but before the date such price increase is effective, shall be, by the Purchase Order's terms, for delivery no later than ninety (90) days after the date such price increase is effective, unless otherwise agreed by Blackboard. Any decrease in applicable prices shall be effective immediately upon publication by Blackboard and shall be applicable to all outstanding purchase orders accepted by Blackboard.

3. TITLE AND RISK.

3.1 Passing of Title. Title to Equipment shall not pass to Customer until Blackboard has received in full (in cash or cleared funds) all sums due to it in respect of such Equipment.

3.2 Customer Obligations. Until title to Equipment has passed to Customer, Customer shall: (i) hold such Equipment on a fiduciary basis as Blackboard's bailee; (ii) store such Equipment (at no cost to Blackboard) separately from all other equipment of Customer or any third party in such a way that it remains readily identifiable as Blackboard's property; and (iii) insure such Equipment against "all risks" to Blackboard's reasonable satisfaction and produce a copy of the policy of insurance upon Blackboard's request.

3.3 Termination of Right of Possession. Customer's right to possession of Equipment owned by Blackboard shall terminate immediately if: (i) it becomes insolvent or makes an arrangement with its creditors generally or has a liquidator or a receiver appointed over a substantial part of its business or assets or commences to be wound up (other than for the purposes of a solvent amalgamation or reconstruction); or (ii) it pledges or in any way charges by way of security for any indebtedness any Equipment which is the property of Blackboard.

Grand Rapids Community College

3.3 **License to Enter.** Blackboard, its agents and employees, agree that it will request approval from Customer to enter any premises where the Equipment is or may be stored in order to inspect it, or, where Customer's right to possession has terminated, to recover it. Such approval will not be unreasonably withheld.

3.4 **Right to Payment.** Blackboard shall be entitled to recover payment for the Equipment notwithstanding that title to any of the Equipment has not passed from Blackboard.

3.5 **Passing of Risk.** Risk of loss or damage to any Equipment shall pass to Customer upon shipment of the Equipment.

4. LIMITED WARRANTY AND EXCLUSIONS.

4.1 **Limited Warranty.** Subject to Section 4.2 of this Schedule and to Article 7 of the Agreement, Blackboard warrants, solely for the benefit of Customer, that any Equipment manufactured by Blackboard and/or sold by Blackboard which is sold to Customer under this Schedule will substantially conform to applicable Documentation for a period of twelve (12) months after the relevant Available Date, provided that (i) Blackboard has received all amounts owed under this Agreement; and (ii) Customer is not in material breach of this Agreement; and (iii) Customer has notified Blackboard in writing of any failure of the Equipment to conform to the foregoing warranty within the warranty period. In addition, Blackboard also warrants that the Equipment manufactured by Blackboard and/or sold by Blackboard which is sold to Customer under this Schedule will substantially operate in accordance with the technical documentation provided by Blackboard in its proposal to Customer, dated May 9, 2003. BLACKBOARD'S SOLE OBLIGATION, AND CUSTOMER'S SOLE REMEDY, WITH RESPECT TO ANY BREACH OF THE FOREGOING WARRANTY, IS REPAIR OR REPLACEMENT (AT BLACKBOARD'S OPTION) OF THE RELEVANT EQUIPMENT IN A TIMELY MANNER.

4.2 **Equipment Warranty Exclusion.** Unless otherwise specified in the Agreement, Blackboard does not warrant or provide support for any third-party Equipment sold by Blackboard. However, Blackboard shall pass through any warranty terms that it receives from such third-parties to the Customer. Customer acknowledges that it must contact the third-party Equipment manufacturer directly for any warranty or support issues related to such third-party Equipment.

5. TERM.

This Schedule shall become effective (i) when executed by authorized representatives of both Parties (the date upon which Blackboard executes this Schedule, the "Schedule Effective Date"); or (ii) the Effective Date of the Agreement, whichever later occurs, and shall continue in effect for a period of one (1)-year (the "Initial Term"), unless earlier terminated. Thereafter, the Schedule will renew automatically for successive one (1)-year periods (each, a "Renewal Term"), unless either Party provides notice of its desire not to renew not less than ninety (90) days prior to the end of the Initial Term or then-current Renewal Term, as applicable.

The Parties agree to the above terms and have executed this Schedule as of the date(s) set forth below

BLACKBOARD

Signature

Print Name and Title

Date:


Teresa Frazier
Senior Director, Contracts

12-19-03

CUSTOMER: Grand Rapids Community College

Recommended by:

Signature

Robert A Engmark, Executive Director, I.T.

Print Name and Title

Date: December 19, 2003

CUSTOMER: Grand Rapids Community College

Signature

Robert W. Partridge, Executive V.P.
Financial Services

SOFTWARE SCHEDULE TS - 1
BLACKBOARD TRANSACTION SYSTEM™ SOFTWARE LICENSE

This Blackboard Software Schedule between Blackboard and Customer is an attachment to the Master Terms between Blackboard and Customer and is effective as of the Effective Date. The Master Terms, dated May 22, 2002, are an integral part of this Schedule and are incorporated herein by reference. Capitalized terms shall have the meaning set forth in the Master Terms.

SITE; SCHEDULE OF LICENSE FEES

Software		Level of Support	Initial Term Fees (USD)
Blackboard Transaction System - UNIX Edition Commerce Video Imaging Interface		Basic-included in Initial Term	\$62,500
Non-Blackboard Software Support:		Basic	\$0
Non-Blackboard Embedded Software Support for Initial Term:		Basic	\$0
Non-Blackboard Software: Networking SW Datacard ID Works Win2000		No support provided by Blackboard; support pursuant to manufacturer's shrink-wrap terms	\$3,000
Total Fees Due:			\$65,500
Designated Server Site (Physical Location of the Software): 143 Bostwick, Grand Rapids, MI 49503	Designated Server: HP rp2470	Operating System: UNIX	Blackboard User Band: 25,000 to 49,999

1. ADDITIONAL DEFINITIONS

- 1.1 **"Corrections"** means a change (e.g. fixes, workarounds and other modifications) made by or for Blackboard which corrects Software Errors in the Software, provided in temporary form such as a patch, and later issued in the permanent form of an Update.
- 1.2 **"Designated Server Site"** means the physical location where the Software will be installed, as identified in the table above.
- 1.3 **"Software"** means, for purposes of this Schedule only, the version(s) of the Blackboard proprietary software identified in the table above.
- 1.4 **"Software Error"** means a failure of any Software materially and substantially to conform to applicable Documentation, provided that such failure can be reproduced and verified by Blackboard using the most recent version of such Software made available to Customer, and further provided that Software Errors do not include any nonconformity to applicable Documentation caused by (i) Customer's or its end users' negligence, (ii) any modification or alteration to the Software not made by Blackboard, (iii) data that does not conform to Blackboard's specified data format, (iv) operator error, (v) use on any system other than the operating system specified in the Documentation, (v) accident, misuse or any other cause which, in Blackboard's reasonable determination, is not inherent in the Software; or (vi) any use of the Software other than expressly authorized in this Schedule.
- 1.5 **"Third-Party Software"** means the software manufactured by third parties that has been incorporated by Blackboard into the Software
- 1.6 **"Updates"** means the object code versions of the Software that have been developed by Blackboard to correct any Software Error and/or provide additional functionality and that have been commercially released with a version number that differs from that of the prior version in the number to the right of the decimal point (e.g., 2.0 vs. 2.1) and that are not marketed as a separate product or module.
- 1.7 **"Upgrades"** means the object code versions of the Software that have been customized, enhanced, or otherwise modified by or on behalf of Blackboard, acting in its sole discretion, to include additional functionality and that have been released with a version number that differs from that of the prior version in the number to the left of the decimal point (e.g., 3.0 vs. 2.0) and that are not marketed as a separate product or module.

2. LICENSE

- 2.1 **Grant of License.** Subject to the terms and conditions of this Schedule and the Master Terms, Blackboard grants Customer a limited, non-exclusive, nontransferable, license to use one executable version of the Software and one Test copy at Customer's site and on the server(s) designated above solely with the number of workstations, point-of-sale devices or other Equipment identified on the attached Equipment Schedule (as such may be amended) that are covered by the limited warranty in Section 7.1 of the Master Terms or maintenance and support services. An install copy of the Software is "made available" to the Customer either (i) on the date on which Blackboard has notified Customer that an install copy of the Software is available for download; or (ii) the date on which the Software made available for installation via diagnostic modem; The download site will be made available to Customer for a period of thirty (30) days and Customer shall download the Software within this thirty day period.
- 2.2 **Copies.** Customer may not copy the Software, or any portion thereof, in whole or in part, except as is necessary to load, operate and use one installation copy of the Software. In addition, Customer may make one (1) copy of the Software for backup and archival purposes, provided that Customer reproduces on the copy all copyright notices and any other confidential or proprietary legends that are on or encoded in the Software. Customer may transfer the Software from one server to another at no additional license fee provided that Customer gives written notice to Blackboard within five (5) business days of such installation and Customer deletes the Software from the server no longer in use and from each back-up copy for that server.
- 2.3 **Intellectual Property Restrictions.** Except as otherwise expressly set forth in this Schedule, in an addendum to this Schedule executed by both parties, or in the Master Terms, Customer shall not (i) copy the Software, in whole or in part; (ii) adapt, alter, create derivative works based on, modify, or translate the Software, in whole or in part; (iii) sell, assign, distribute, lease, market, rent, sublicense, transfer, make available, or otherwise grant rights to the Software in whole or in part to any third party in any form; (iv) electronically transfer the Software in whole or in part from one computer to another over a network or enable any timesharing or service bureau use of the Software; (v) obscure, remove or alter any of the trademarks, trade names, logos, patent or copyright notices or markings to the Software; (vi) add any other notices or markings to the Software or any portion thereof; or (viii) reverse engineer, decompile or disassemble any component of the Software or otherwise obtain or attempt to obtain the source code for the Software. Customer acknowledges that Blackboard shall be entitled to equitable relief, including preliminary and permanent injunctive relief, in addition to other legal remedies, in the event that Customer breaches this Article
- 2.4 **Ownership of Software.** Blackboard or its licensors has and shall have sole and exclusive ownership of all right, title and interest in and to the Software and all portions and copies thereof. In addition, Blackboard or its licensors shall have sole and exclusive ownership of any Corrections, Updates

Grand Rapids Community College

and/or Upgrades provided to Customer for the Software. Customer acknowledges that Blackboard shall be entitled to equitable relief, including preliminary and permanent injunctive relief, in addition to other legal remedies, in the event that Customer breaches either this Article 1 or the confidentiality provisions set forth in the Master Terms.

2.5 Third Party Software. Customer acknowledges that the Software may utilize software made available to Blackboard by third parties ("Third Party Software"). Pursuant to its agreements with these third parties, Blackboard hereby grants to Customer a non-exclusive, nontransferable license to load and/or operate and use the Third Party Software solely in connection with Customer's transaction system license. Customer will be required to agree to the terms and conditions contained in the Third Party Software agreement(s).

3. FEES

3.1 In consideration of the license granted herein, Customer shall pay to Blackboard the non-cancelable, non-refundable License Fee specified above in accordance with the terms and conditions of the Master Terms. Blackboard reserves the right to modify the License Fee at any time after the Initial Term. Except as provided above, each Party will be responsible for its own expenses incurred in rendering performance under this Schedule, including the cost of facilities, work space, computers and computer time, development tools and platforms, utilities management, personnel, supplies and the like.

3.2 Expansion of Licensed Use.

Blackboard Transaction System Software is priced annually based upon Blackboard User Bands. Blackboard User Bands are comprised of the number of cardholders. A cardholder will be defined as any individual associated with a licensing institution that can reasonably be anticipated to use a card, or perform a transaction, or utilize a privilege/event in the Blackboard Transaction System™, within the forward licensing period (12 months). A cardholder may include, but is not inclusive of, a stored value charge in any module, regular applied board transaction, guest applied board transaction, cash equivalence charge, regular event entry, and guest event entry. A cardholder is also determined by the number of active cardholders who have used their card within the last twelve (12) months.

Prior to a Renewal Term, Blackboard may conduct an audit in accordance with the Master Terms, to determine the number of cardholders (as defined above) in the current licensing period. Blackboard shall utilize the current number of cardholders determined in such audit and any information that may be supplied by Customer to reasonably determine the number of cardholders for the forward licensing period (12 months).

For the Software on this Schedule, Customer's license for the Software on this Schedule may be expanded in increments as indicated below:

Cardholder Ranges	Annual Software Fee
Fewer than 2000 cardholders	\$5000
2000-3999 cardholders	\$12500
4000-7999 cardholders	\$25000
8000-14999 cardholders	\$37500
15000-24999 cardholders	\$50000
25000-49999 cardholders	\$60000
50000-74999 cardholders	\$65000
75000-99999 cardholders	\$70000

Additional bands of 25,000 cardholders will be priced at an additional \$5,000 / year.

Blackboard's assessment of additional license fees will be in accordance with Blackboard's then-current pricing. In the event of growth related to a Customer merger or acquisition, Blackboard's assessment of additional license fees will be in accordance with Blackboard's then-current pricing.

4. TERM, TERMINATION

This Schedule shall become effective (i) when executed by authorized representatives of both Parties (the date upon which Blackboard executes this Schedule, the "Schedule Effective Date"); or (ii) the Effective Date of the Agreement, whichever later occurs, and shall continue in effect for a period of one (1) year (the "Initial Term"), unless earlier terminated. Thereafter, the Schedule will renew automatically for successive one (1)-year periods (each, a "Renewal Term"), unless either Party provides notice of its desire not to renew not less than thirty (30) days prior to the end of the Initial Term or then-current Renewal Term, as applicable. Upon termination of this Schedule, all licenses granted under this Schedule shall immediately cease, and Customer will (i) immediately discontinue all use of Software licensed under this Schedule; (ii) pay to Blackboard all amounts due and payable hereunder; (iii) remove the Software from its server and provide to Blackboard proof of the destruction of the original copy and any other copies of the Software; and (iv) return all Documentation and related training materials to Blackboard within a reasonable time at Customer's cost.

5. SUPPORT AND MAINTENANCE

5.1 Maintenance. Blackboard will provide Customer with Upgrades, Corrections and Updates to the Software as they are made generally available from time to time. Software declared by Blackboard to be a general release ("General Release") shall be installed within ninety (90) days of being made generally available by Blackboard. Blackboard reserves the right to terminate this Schedule upon thirty (30) days prior written notice, provided, Customer has not installed such Software. Notwithstanding any other provision of this Schedule and that no termination notices for a specific version of the Software has been sent to Customer, Blackboard shall provide maintenance and support only with respect to the then current generally available version(s) and/or General Release version and the two (2) most recent previously issued Updates of the Software.

5.2 Installation and Assistance. Blackboard will install Software provided pursuant to this Schedule during the Coverage Hours as defined in Schedule C-1, provided, Blackboard has not deemed Software to be customer installable. In the event Software is deemed by Blackboard to be customer installable, Blackboard will provide telephone assistance during Coverage Hours. In either instance, Customer will schedule in advance with Blackboard for such telephone assistance or installation of Software.

5.3 Purchase of Maintenance and Support Services. Customer may purchase maintenance and support services in accordance with the applicable Schedule.

Grand Rapids Community College

5.4 **Additional Services.** Any time or expense incurred by Blackboard in diagnosing or fixing problems that are not caused by the Software or are not covered by the maintenance and support services are billable to Customer at Blackboard's then-existing rates, with a minimum charge of \$175.00 per call. If Customer desires such additional services, it must execute a copy of Blackboard's Professional Services Agreement and applicable Schedule(s) for the services.

6. LIMITED SOFTWARE WARRANTY

Blackboard warrants, solely for the benefit of Customer, that any Software licensed under this Schedule which is manufactured by Blackboard will substantially conform to applicable Documentation for a period of ninety (90) days after the relevant Available Date, provided that (i) Blackboard has received all amounts owed under this Agreement; (ii) Customer is not in material breach of this Agreement; (iii) Customer has installed any Corrections, Upgrades and Updates made available to Customer; and (iv) Customer has notified Blackboard in writing of any failure of the Software to conform to the foregoing warranty within the warranty period. In addition, Blackboard also warrants that the Software will substantially operate in accordance with the technical documentation provided by Blackboard in its proposal to Customer, dated May 9, 2003. CUSTOMER ACKNOWLEDGES AND AGREES THAT THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES BY BLACKBOARD, AND THAT BLACKBOARD'S SOLE OBLIGATION, AND CUSTOMER'S SOLE REMEDY, WITH RESPECT TO ANY BREACH OF THE FOREGOING WARRANTY, IS REPAIR OR REPLACEMENT (AT BLACKBOARD'S OPTION) OF THE RELEVANT SOFTWARE IN A TIMELY MANNER.

7. ONLINE CARD OFFICE TECHNICAL SPECIFICATIONS

7.1 **Hosting Storage and Access.** Blackboard shall provide Customer storage space on and access to Online Card Office software (the "Application Software") through a server maintained by Blackboard (the "Site") for the purpose of making the Application Software accessible to authorized users via the Internet (the "Application Hosting Services").

7.2 **Security Specifications.** Blackboard shall maintain commercially reasonable physical and system security measures, including, but not limited to, those set forth on Attachment 1 to this Software Schedule.

7.3 **Card Processor.** Blackboard provides connectivity with such credit card processors, at the levels designated, as set forth on Attachment 1 to this Software Schedule ("Processors") for the purpose of authorization and settlement of credit card transactions. Customer shall establish a merchant account with a financial institution that processes credit card transactions with one of the Processors prior to deployment of the Application Software. Changes required to support changes of Customer's bank, credit cards accepted by Customer, credit card processor of Customer's bank, or communication interfaces with the credit card processor will be chargeable to Customer and performed on a timely basis upon written notice to Blackboard. Changes required to the Software to enable Customer to change card processors or communication interfaces to a card processor will be subject to a one-time charge for labor and licensing of software, to be determined by Blackboard at the time of the change request.

7.4 **Set up and Installation.** Prior to set up of the Application Software, Customer shall provide Blackboard with a completed Online Card Office Deployment Worksheet. Blackboard shall review the Deployment Worksheet with Customer to determine if any elements of Customer's Application Software deployment exceed the standard deployment. Standard deployment of the Applications Software includes text changes to the standard template, inclusion of up to 2 institution-specific graphic elements, installation of the Online Card Office software on to the System including any necessary patches, verification of banking information to allow for the opening of a merchant store, configuration of the commerce server, connectivity tests for communication between the web servers and the System, and the completion of test transactions. Blackboard will gain pre-launch approval from the institution following the successful completion of test transactions. Any additional activities, changes or customization beyond the standard deployment ("Additional Deployment") shall be subject to the terms of a Professional Services Agreement and a Statement of Work. Customer shall provide Blackboard with Customer content to be placed on the Customer-accessible web site, in accordance with the Documentation. Customer acknowledges that Blackboard may include links on the Blackboard Online Card Office web site that promotes, offers, or links to other Blackboard products and services within the Blackboard.com website.

7.5 **Fiscal responsibility.** Customer retains responsibility for compliance with all rules and regulations of any bank, card association, card processor and other entities related to issuance, acceptance, and settlement and clearing of payment transactions conducted through the System.

IN WITNESS WHEREOF, the parties hereto have executed this Software Schedule as of the date first written above.

BLACKBOARD

Signature

Teresa Frazier
Teresa Frazier

Print Name and Title

Senior Director, Contracts

Date:

12/19/03

CUSTOMER: Grand Rapids Community College

Recommended by:

Signature

Robert A Engmark
Robert A Engmark, Director of IT

Print Name and Title

12/19/03

Date:

CUSTOMER: Grand Rapids Community College

Signature

Robert W Partridge
Robert W Partridge, Exec VP of Financial Services

Print Name and Title

Services

**ATTACHMENT I TO SCHEDULE TS - 1
ONLINE CARD OFFICE SPECIFICATIONS**

SECURITY:

- Single point of entry to co-location is guarded 24 hours a day with access controlled by an access database and video surveillance
- Monitoring of the co-location area and only those persons authorized by a customers' access list are allowed past a central point.
- Surveillance cameras located throughout the facility capture activity to help ensure no unauthorized entry to protected areas.

POWER:

- State-of-the-art generators clean and condition commercial electrical power to remove irregularities in the signal. Power is run through the generators before being passed into the facility.
- In the event of a loss of power from the grid, power backups are utilized in the following order: commercial utility underground conduits, two-hour battery backup (industry standard only 15 minutes), diesel generator with full-load capability and 18 hr. fuel supply.

ACCESSIBILITY/SERVICE CREDIT:

The Software is accessible 24/7, with a 99% uptime guarantee. 99% uptime means that for 99% of the time during any calendar month, the Online Card Office portion of the Software shall be available. Unavailability is a condition in which there is unavailability of the hardware due to hardware failure OR sustained packet loss in excess of fifty percent within the Blackboard hosting facilities for at least fifteen consecutive minutes due to a failure of Blackboard to provide hosting services during such period; unavailability does not include packet loss or network unavailability due to scheduled maintenance, or inability of a user to connect with the Blackboard Online Card Office portion of the Software due to internet or telecommunications problems outside the control of Blackboard.

DISASTER RECOVERY:

Blackboard provides comprehensive backups, which are stored at a separate facility. Blackboard retains backup data for one month. In the event of a disaster, Blackboard will use reasonable efforts to restore service. Blackboard will not attempt to restore service if such attempt shall put Blackboard, its employees or its agents at risk for injury.

OUTAGES

If a System Outage occurs, Blackboard will notify designated System Administrator via email. This notice will include the reason for the System Outage and estimated time for restoration of Services if Blackboard knows this information when it gives this notice.

Following recovery from the System Outage, Blackboard will provide Customer with a post-incident summary that will include:

- cause of the System Outage (if determined);
- method used to correct the problem; and
- measures Blackboard will take to prevent similar System Outages in the future (if any).

Upon notification of a problem with the Blackboard system or the Services, Blackboard will investigate the problem and determine if a System Outage exists. If a System Outage exists, Blackboard will provide Customer with a time estimate for resolution of the problem, if known at that time. Blackboard will promptly commence remedial activities and use commercially reasonable efforts to resolve the System Outage within the time estimate provided to Customer.

MONITORING AND PERFORMANCE

Blackboard will make network performance reports available focusing on the technical aspect of remote access network services. The reports provide information to help in the continual improvement of the design and operation of the network. This includes information such as port availability, connection quality, usage profiles, and throughput.

STARTUP:

Blackboard is responsible for the setup and configuration of the necessary hardware, software and all components of the dedicated server. This includes but not limited to, the server hardware and software, telecommunications hardware and software, security software and other software that is reasonably necessary to operate and maintain the Blackboard Software.

ONGOING:

The hardware, software and network are monitored and maintained by Blackboard and will be accessible twenty-four (24) hours a day, seven (7) days a week, in accordance with industry standards, except for scheduled maintenance and required repairs, in advance of which the client shall be notified by email. In addition, Blackboard continuously evaluates emerging hardware for speed and robustness and possible use in our environment.

- Blackboard maintains responsibility for all day-to-day server maintenance. Server maintenance may include, but is not limited to, hardware upgrades, OS upgrades, patch installations, database administration, server user administration and performance tuning.
- Blackboard maintains a software monitoring system to provide real-time information about the ASP environment to the Blackboard Network Operations Center (NOC), to assist Blackboard system administrators proactively monitoring the ASP environment.
- Blackboard guarantees the functioning of all hardware components and will replace any failed components. Hardware replacement will begin immediately upon identification of the hardware failure and if cannot be completed with a reasonable amount of time, the Blackboard application will be redirected to a temporary server to reduce downtime.
- Blackboard implements a backup strategy of performing daily incremental & weekly full backups with a retention period of 1 month. Standard tape rotation is performed on a weekly basis with secure offsite storage.
- Blackboard collects bandwidth usage and web hit statistics on all client hosted machines. This information will be provided upon request.
- Monitoring and event notification procedures are standardized, and are described in a separate document

ONLINE CARD OFFICE HOSTING SUPPORT

The hardware, software and network are monitored and maintained by Blackboard and will be accessible twenty-four (24) hours a day, seven (7) days a week, in accordance with industry standards, except for scheduled maintenance and required repairs, in advance of which the client shall be notified by email. In addition, Blackboard continuously evaluates emerging hardware for speed and robustness and possible use in our environment.

DATA CENTER SPECIFICATIONS

Blackboard houses servers in a facility that offers environment control, security, and backup power, as more specifically described below:

ENVIRONMENT:

- The data center is designed to maintain a constant temperature of 68°F, plus or minus 2°F, with humidity of 45%.

SERVER SETUP:

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

- The servers are set up to maintain failback, redundant connectivity, comprehensive backups, 24x7 monitoring, 99% uptime.

CARD PROCESSORS

Customer's bank shall process credit cards through:

- First Data Merchant Services - Nashville. OR
- Vital Processing Services.

SCHEDULE TS - 2
BLACKBOARD TRANSACTION SYSTEM™ MAINTENANCE AND SUPPORT

This BLACKBOARD TRANSACTION SYSTEM MAINTENANCE AND SUPPORT SCHEDULE ("Schedule") shall be governed by the terms and conditions of the Blackboard Master Terms ("Master Terms") dated as of the May 22, 2002 between Blackboard and Customer. Terms used in this Schedule that are not defined below shall have the meaning set forth in the Master Terms.

<input type="checkbox"/>	Exhibit A- Add on Software Platinum Package (Optional)
<input type="checkbox"/>	Exhibit B - Add on Software Gold Package (Optional)
<input type="checkbox"/>	Exhibit C - Add on Equipment Silver Package (Optional)

1. SCOPE

1.1 After the initial warranty period for the applicable Software or Equipment, Blackboard will provide Customer with the maintenance and support services for the applicable Blackboard Transaction System™ Software and Equipment covered by this Schedule and attached Exhibits in accordance with Blackboard's then-current maintenance and support policies. Blackboard shall determine in its sole discretion, based on its policies, the most appropriate manner in which to provide maintenance and support. To the extent that Customer has purchased Silver, Gold or Platinum level service, such additional services are covered by the applicable exhibit to this Schedule.

1.2 In order to provide these services in a timely, efficient and effective manner, Blackboard may require the Customer's reasonable cooperation, at no cost to Blackboard. For the purposes of providing the support and maintenance services under this Schedule, and upon Blackboard's request, Customer shall provide Blackboard service personnel with full, free, safe, and timely access to all System components covered by this Schedule or components which materially affect the operation of System components covered by this Schedule.

1.3 Blackboard's access to the Software may include, as Blackboard recommends, but is not limited to, dial-in access to the diagnostic modem on the applications and/or host computer or workstations and physical access to the Customer premises.

1.4 Solely to permit Blackboard to provide maintenance and support services, Customer shall maintain (i.) Internet access protocols as agreed with Blackboard; or (ii.) a diagnostic dial up modem attached to the applications and/or host computer. Customer shall also maintain and run, on its applications and/or host computer, a fully licensed copy of the remote system management communication software recommended by Blackboard. If Customer requires Blackboard to notify System Administrator prior to initiating dial-in access, Customer may disable dial-in access during periods when scheduled access is not required or requested. Customer may request that Blackboard provide the modem and communication software to Software Maintenance customers for a nominal yearly maintenance fee. Such modem and communication software shall be returned to Blackboard upon the termination of this Schedule or Customer will pay Blackboard the then current retail price of the modem and communication software.

1.5 If reasonable access is not provided upon reasonable request, Customer shall be deemed to have waived Blackboard's performance of the maintenance and support services until such access is provided. Blackboard shall have no liability for such inability to perform maintenance and support services in such event.

1.6 Customer shall identify a System Administrator to be trained and certified through Blackboard Learning Center. Blackboard reserves the right to add a surcharge to annual maintenance and support service fees in the event that a certified System Administrator is not provided. Blackboard shall not be held responsible for any costs incurred by the Customer in providing a certified System Operator. Customer shall provide time for the System Administrator to diagnose, troubleshoot, and replace components as necessary.

2. EXCLUSIONS.

2.1 If problems or defects with the System or any of its components result from a Force Majeure Event (as defined in the Master Terms) or Customer misuse or abuse, Blackboard shall charge Customer, and Customer shall pay Blackboard, its then current hourly repair rates and any related charges then in effect for maintenance services.

2.2 Blackboard shall only provide on-site maintenance when and in accordance with its standard procedures. Prior to Blackboard providing any on-site maintenance, Blackboard shall provide Customer with, and Customer shall perform the appropriate test and verification analysis on the applicable Software/Equipment in accordance with routines, documentation and instructions provided by Blackboard. Customer shall promptly inform Blackboard of the results of these tests. Customer shall provide Blackboard with troubleshooting assistance.

2.3. Any on-site maintenance service not covered by the applicable maintenance and support services schedules provided by Blackboard shall be subject to a minimum charge of eight (8) hours. Such items excluded from maintenance and support services include (but are not limited to):

- (a) The resolution of any problems due to inspection, service, relocation, tampering, configuration changes, installation of additional feature, functions, or software not provided, authorized or installed by Blackboard
- (b) Software or Equipment sold but not manufactured by Blackboard, and not covered by this Schedule, including, but not limited to Hewlett Packard, Datacard, Windows®, etc.
- (c) The resolution of any problems due to or caused by knowing disregard for System Administration procedures as outlined in the current version of the Blackboard System Administration Guide or other relevant documentation.
- (d) Computer Viruses and any damage caused by viruses.

3. CUSTOMER SUPPORT

3.1 Coverage Hours. Blackboard shall provide Customer with customer support services available 6:00 a.m. to 6:00 p.m. MST time, five (5) days a week, Monday through Friday, excluding US Federal and Arizona State holidays ("Coverage Hours"). Outside of the Coverage Hours, Blackboard shall make available to Customer access to on-call personnel for support services, deemed by Blackboard to be an emergency.

3.2 Limits. Customer support is limited to questions on product configuration, usage and notification of defects and is available by calling or notifying Blackboard. Upon receipt of a call or notification by Blackboard approved methods, Blackboard will determine whether an error is related to or directly caused by the Software or Equipment. If so, Blackboard will (a) create an error report, (b) assign a Severity Code and (c) attempt to resolve the error in accordance with the procedures below.

3.3 Error Resolution.

- (a) **Severity Code 1.** Severity Code 1 implies that the System is not functioning. Some examples of Severity Code 1 System Errors are as follows: (i) System is down and will not restart; (ii) System is generating a data corruption condition. Blackboard will use its commercially reasonable efforts to resolve Severity Code 1 System Error reports on a twenty-four (24) hour basis. When a Severity Code 1 System Error is reported, Blackboard will assign resources necessary to correct the System Error. If access to the System is required, Customer will provide a contact available to Blackboard and access to Customer's system and other software for the duration of the error correction procedures.

Grand Rapids Community College

(b) **Severity Code 2.** Severity Code 2 implies that the System is running but that Customer is unable to use major parts of the System. Some examples of Severity Code 2 System Errors are as follows: (i) intermittent System Error and (ii) major functional component is unavailable. Severity Code 1 System Errors will take priority over Severity Code 2 System Errors. Blackboard will assign appropriate technical resources to Severity Code 2 System Errors as long as there are no Severity Code 1 System Errors awaiting resolutions.

(c) **Severity Code 3.** Severity Code 3 implies that the System is operating but there is a non-critical System Error. Severity Code 3 System Errors may be fixed in the next scheduled Upgrade or Update or made available on Blackboard's Web site. Blackboard will research Severity Code 3 System Errors after Severity Code 1 and Severity Code 2 System Errors. Blackboard may correct Severity Code 3 System Errors in the next scheduled Upgrade or Update or make corrections available to Customer on Blackboard's Web site.

(d) **Severity Code 4.** Severity Code 4 implies that the System is operating but the Customer is requesting additional functionality. Blackboard may, at its sole discretion, incorporate in a future Upgrade or Update or make available to Customer on Blackboard's Web site.

(e) **Severity Code 5.** Severity Code 5 implies that the System is operating but the customer is in need of instructional assistance. Severity Code 1, 2, and 3 System Errors will take priority over Severity Code 5 calls. Blackboard will assign appropriate technical resources to Severity Code 5 calls as long as there are no Severity Code 1, 2, or 3 System Error reports awaiting resolution.

Notwithstanding the foregoing, Customer acknowledges that no warranty is made regarding any such Error Response Protocol with respect to all or any System Errors.

3.4 Purchase of Additional Support and Maintenance Services. In addition to the basic maintenance and support services set forth herein, Customer may purchase additional Silver level Equipment or Platinum or Gold level Software maintenance and support services in accordance with the applicable terms and conditions. Refer to attached Exhibits.

4. NETWORK PROCESSOR COVERAGE

4.1 Subject to the definition of Coverage Hours, Network Processor/Server equipment will be handled as high priority since it is the most critical to System operation.

4.2 Upon Customer's notification and Blackboard's acknowledgement that the Network Processor/Server or a component thereof, is defective, Blackboard will promptly ship to Customer a temporary replacement component or Network Processor/Server. Blackboard will use its commercially reasonable efforts to ensure that such temporary replacement component or Network Processor/Server is delivered within forty-eight (48) hours of Blackboard's acknowledgment of problem. Customer shall return to Blackboard the defective component or Network Processor/Server within five (5) business days of receipt of temporary replacement component or Network Processor/Server.

4.3 Upon Customer's receipt of the temporary replacement component or Network Processor/Server, telephone support will be provided Customer to ensure the System is operative.

4.4 At Blackboard's sole discretion, the defective component or Network Processor/Server will either be repaired or replaced. Blackboard is under no obligation to return the original component or Network Processor/Server to Customer. If the original component or Network Processor/Server is returned to Customer, then Customer shall ship the temporary replacement component or Network Processor/Server to Blackboard within five (5) business days after receipt of the original repaired component.

4.5 If the Network Processor/Server is inoperative and all reader terminals are in an "offline" mode, Blackboard will dispatch a technician to Customer's site, who shall arrive no later than the next day of Coverage Hour, provided, however, that Blackboard determines, in its sole discretion, that either the replacement of the defective part cannot be accomplished by Customer, or that it cannot be easily ascertained which component is defective. Customer will pay Blackboard the then-current rates for on-site services and reimburse Blackboard for applicable travel and living expenses incurred by Blackboard, provided, Customer has not purchased Blackboard Transaction System Software Platinum Coverage™ or Blackboard Transaction System Software Gold Coverage™ in accordance with the applicable Exhibit.

5. EQUIPMENT MAINTENANCE AND SUPPORT SERVICES

5.1 Upon payment of the applicable annual Equipment maintenance fees, Blackboard will provide the following:

(i.) Reader and peripheral Equipment to the System may be supported by e-mail and telephone support to assist Customer in diagnosing Equipment problems during Coverage Hours.

(ii.) Reader and peripheral Equipment manufactured by Blackboard is supported by way of depot repair. At Blackboard's sole discretion, such Equipment shall be repaired or replaced. Customer shall request a Return Material Authorization (RMA) number from Blackboard and return such reader and/or peripheral Equipment to the factory for repair. Repaired or replaced Equipment will be returned to the customer within 5 business days using standard shipping methods.

(iii.) Reader and peripheral Equipment manufactured by a third party vendor is supported by way of depot repair. At Blackboard's sole discretion, such Equipment shall be repaired or replaced. Customer shall request a Return Material Authorization (RMA) number from Blackboard and return such reader and/or peripheral Equipment to Blackboard for repair. Repaired or replaced Equipment will be returned to the Customer within 10 business days unless said Equipment is deemed by Blackboard to require repair or replacement by the manufacturer or its authorized repair facility. In the event said Equipment requires repair or replacement by manufacturer or authorized repair facility, Equipment will be sent to the manufacturer by Blackboard within 2 business days of receipt from Customer and repaired or replaced Equipment will be returned to Customer, using standard shipping methods, within 3 business days of return to Blackboard from manufacturer or authorized repair facility.

(iv.) Equipment including, but not limited to, NCR, Dell, Compaq, and Gateway are supported by onsite third party repair.

(v.) If at Blackboard's reasonable discretion, a piece of Equipment is no longer capable of being maintained in good operating condition, including, but not limited, to normal wear and tear, non-support of Equipment due to discontinuance of support from the manufacturer or its authorized repair facility, or the non-availability of repair components, Blackboard will provide to Customer an estimate of Blackboard's refurbishment charges, if any, for such equipment in accordance with Blackboard's then-current charges and policies. Should Customer fail to have Blackboard refurbish the equipment within 60 days of notification or if refurbishment is not available, said Equipment will no longer be maintained under this Agreement and if provided, such estimate will be considered null and void. A credit will be issued for the prorated balance of maintenance fees paid to Blackboard for the Equipment during the current term.

6. TIME AND MATERIALS SERVICES

6.1 At Blackboard's sole discretion, repair or maintenance and support services may be made available to Customer at Blackboard's then current fees and applicable hourly minimums for Software and/or Equipment which Customer has not paid the applicable maintenance and support fees or Blackboard has excluded in accordance with this Schedule.

6.2 Blackboard will provide Customer with an estimate for the provision of such services. Blackboard, at its sole discretion, will require either a Purchase Order or written approval for the estimated fees prior to providing any repairs or maintenance and support services in accordance with this section.

7. FEES

7.1 Software basic maintenance and support services are covered under the Customer's annual license fee for the Software. To the extent Customer has purchased Gold or Platinum level Software maintenance and support services, Customer shall pay annually for such additional fees related to such services. Customer shall pay an annual Equipment maintenance and support fee (the "Annual Equipment Maintenance and Support Fee") to Blackboard for the services provided hereunder related to the Equipment. To the extent Customer has purchased Silver level Equipment maintenance and support services, Customer shall pay annually for such additional fees related to such services. If Customer fails to pay the Annual Equipment Maintenance Fee in accordance with this Schedule and the Master Terms, Blackboard may suspend any and all Equipment maintenance and support to Customer. Blackboard reserves the right to modify the Annual Maintenance and Support Fee for each Renewal Term.

8. TERM AND TERMINATION

8.1 Term. This Schedule shall commence upon the end of the applicable initial warranty period, and, unless suspended as provided for in Section 7, shall continue for a period of one (1) year. ("Initial Term"). Thereafter, this Schedule will renew automatically for successive one (1) year terms or as mutually agreed (each a "Renewal Term"), provided that Customer remits the applicable Maintenance and Support Fee within thirty (30) days of receipt of an invoice from Blackboard.

8.2 Termination. This Schedule may be terminated in accordance with the termination provisions of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Schedule as of the date first written above.

BLACKBOARD

Signature Teresa Frazier

Print Name and Title Senior Director, Contracts

Date:

12/19/03

CUSTOMER: Grand Rapids Community College

Recommended by:

Signature Robert A Engmark

Print Name and Title Robert A Engmark, Director of IT

Date: 12/19/2003

Date:

CUSTOMER: Grand Rapids Community College

Signature Robert W. Partridge

Print Name and Title Robert W Partridge, Exec VP Financial Services

Print Name and Title

SCHEDULE TS - 3
CARDS AND SUPPLIES PURCHASE

This CARDS AND SUPPLIES PURCHASE SCHEDULE ("Schedule") is an addendum to the Blackboard License And Services Agreement between Blackboard and Customer, including the Master Terms and other Schedules incorporated therein (collectively, the "Agreement"). Capitalized terms used in this Schedule that are not otherwise defined in this Schedule shall have the meaning set forth in the Master Terms.

SCHEDULE OF FEES

	Quantity	Initial Term Fees (USD)
Cards, Services, and/or Card Supplies--		\$ 9,170
Other Supplies		\$14,011
Total Fees Due:		\$23,181

1. ORDERING AND DELIVERY OF EQUIPMENT

1.1 Order and Purchase Process. While this Cards and Supplies Purchase Schedule remains in effect, Customer may order any Cards and/or Supplies set forth on Blackboard's then-standard price list, or any Cards and/or Supplies with respect to which Blackboard has otherwise provided a price quote, by submitting to Blackboard either a written purchase order or an authorized Blackboard price quote accompanied by payment for such equipment in the form of check or valid authorization to charge Customer's credit card account. Blackboard agrees to sell to Customer the Cards and/or Supplies set forth and requested in any purchase order accepted in writing by Blackboard, provided that no purchase order will be binding upon Blackboard until Blackboard accepts such purchase order in writing, and further provided that Blackboard will have no liability to Customer with respect to any purchase orders that are not accepted. No partial shipment of Cards and/or Supplies requested pursuant to any purchase order shall constitute acceptance of the entire purchase order. Customer acknowledges that no provision of any purchase order or other similar documentation will be deemed to modify, add to, or supercede any provision of this Agreement.

1.2 Cancellation. Customer may not cancel a purchase order executed concurrently with the execution of this Agreement. However, Customer may cancel any subsequent purchase order by providing written notice to Blackboard not less than forty-five (45) days prior to the relevant requested shipment date; provided that Customer first pays Blackboard a cancellation charge equaling fifteen percent (15%) of the total price of the affected purchase order.

1.3 Shipment and Delivery Terms. Upon acceptance of any purchase order, Blackboard will establish a shipping date for the relevant Cards and/or Supplies as close as practicable to Customer's requested date, subject to Blackboard's available inventory and then-current lead time requirements, and provided that Blackboard shall be permitted to allocate its then-current inventory and other resources in its discretion. Blackboard shall not be liable for any damage or penalty arising from delay in delivery or from failure to give notice of any delay. Blackboard agrees to exercise reasonable efforts to expedite particular shipments of Equipment when so requested by Customer, provided that Customer will be charged an additional fee equal to 10 percent (10%) of the total purchase price for the item being so shipped.

2. CONSIDERATION FOR EQUIPMENT.

2.1 Cards and/or Supplies Prices; Payments. In consideration for any Cards and/or Supplies sold to Customer pursuant to this Schedule, Customer agrees to pay to Blackboard the applicable prices set forth in Blackboard's then-standard price list, or such other price(s) as may have been provided by Blackboard to Customer in an authorized Blackboard price quote with respect to such Equipment. Customer shall additionally pay, prior to shipment of the relevant Cards and/or Supplies, all freight charges, insurance, and other shipping expenses applicable to delivery of such Cards and/or Supplies, as well as expenses for any special packing requested by Customer, all of which amounts shall be due and payable within thirty (30) days following receipt of an invoice with respect thereto. The standard quantity variation on custom-printed cards is +/- 10 percent. Blackboard will invoice for the quantity shipped. In the event additional services are requested by Customer, including but not limited to, artwork, design, typesetting and proof charges, fees for these additional services will be in accordance with Blackboard's then current rates such additional services. Customer shall remain responsible for all payments under this Agreement and any other agreement with Blackboard, regardless of any financing arrangements by Customer. Customer shall pay to Blackboard the amount set forth in the Purchase Order for the Cards and/or Supplies in accordance with the payment provisions of the Agreement.

2.2 Changes in Fees. Blackboard reserves the right to amend its Cards and/or Supplies price lists at any time in its discretion, provided that any increase in such prices shall not affect the amounts payable under any purchase orders accepted by Blackboard prior to the implementation of such new prices. All purchase orders submitted by Customer after implementation of any price increase but before the date such price increase is effective, shall be, by the Purchase Order's terms, for delivery no later than ninety (90) days after the date such price increase is effective, unless otherwise agreed by Blackboard. Any decrease in applicable prices shall be effective immediately upon publication by Blackboard and shall be applicable to all outstanding purchase orders accepted by Blackboard.

3. TITLE AND RISK.

3.1 Passing of Title. Title to Cards and/or Supplies shall not pass to Customer until Blackboard has received in full (in cash or cleared funds) all sums due to it in respect of such Cards and/or Supplies.

3.2 Passing of Risk. Risk of loss or damage to any Cards and/or Supplies shall pass to Customer upon shipment of the Cards and/or Supplies.

4. LIMITED WARRANTY.

Blackboard represents and warrants that the Cards and Supplies will be substantially free from manufacturer defects and if applicable, substantially conform to relevant ABA and ISO card standards in effect at the time of shipment to Customer, provided Blackboard has received all amounts owed under the Blackboard License and Services Agreement and its Schedule(s) and Customer is not in default of any part of the Agreement. Blackboard's sole obligation is limited to replacement or credit to Customer's account for the defective Cards or Supplies, at Blackboard's discretion, provided that Customer notifies Blackboard of the deficiency within thirty (30) days of receipt of Cards or Supplies. THE ABOVE WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES BY BLACKBOARD, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

5. **TERM.**

This Schedule shall become effective (i) when executed by authorized representatives of both Parties (the date upon which Blackboard executes this Schedule, the "Schedule Effective Date"); or (ii) the Effective Date of the Agreement, whichever later occurs, and shall continue in effect for a period of one (1)-year (the "Initial Term"), unless earlier terminated. Thereafter, the Schedule will renew automatically for successive one (1)-year periods (each, a "Renewal Term"), unless either Party provides notice of its desire not to renew not less than ninety (90) days prior to the end of the Initial Term or then-current Renewal Term, as applicable.

IN WITNESS WHEREOF, the parties hereto have executed this Schedule as of the date first written above.

BLACKBOARD

Signature

Print Name and Title

Date:



Teresa Frazier

Senior Director, Contracts

12/19/03

CUSTOMER: Grand Rapids Community College

Recommended by:

Signature

Robert A Engmark, Director of IT

Print Name and Title

12/19/03

Date:

CUSTOMER: Grand Rapids Community College

Signature

Robert W Partridge, Exec VP Financial Services

Print Name and Title

BLACKBOARD PROFESSIONAL SERVICES AGREEMENT

Blackboard offers services that are useful for a range of purposes, from customization to implementation and integration. Customer wishes to use such Blackboard services to enhance its own educational programs, and Blackboard is willing to provide to Customer these services in accordance with the terms and conditions contained in this Agreement and the attached Statement(s) of Work.

This Blackboard Professional Services Agreement ("PSA") between Blackboard and Customer is effective as of December 19, 2003

TERMS AND CONDITIONS**1 PROFESSIONAL SERVICES.**

1.1 Professional Services. Blackboard shall use commercially reasonable efforts to perform the Professional Services as set forth in Work Statements. Blackboard shall perform the Professional Services in a professional manner in accordance with industry standards.

1.2 Issuance of Work Statements. The Customer may request that Blackboard perform services in lieu of or in addition to the Professional Services contained in the initial Work Statement(s) (the "Proposed Professional Services") by delivering a written request describing the proposed Professional Services. Blackboard shall prepare an additional Work Statement as an addendum to this PSA. Such work shall describe the fees, costs and expenses payable by the Customer to Blackboard in connection with the performance of such services. The Customer, within five (5) business days after receipt of the proposed Work Statement addendum, shall notify Blackboard of its acceptance of such addendum. Until the acceptance of the proposed Work Statement, Blackboard shall have no obligation to perform the Proposed Professional Services and this PSA shall remain in full force and effect. Additional Work Statements, regardless of whether they relate to the same subject matter as the initial Work Statement(s), shall become effective upon execution by authorized representatives of both parties.

1.3 Modifications. Customer may at any time request a modification to the Professional Services to be performed pursuant to any Work Statement by written request to Blackboard specifying the desired modifications. Blackboard shall, within five (5) business days of the receipt of such request, submit an estimate of the cost for such modifications and, a revised estimate of the time for performance of the Professional Services pursuant to the Work Statement. If accepted by Customer, such modifications in the Work Statement shall be performed under the terms of this PSA. Modifications in any Work Statement shall become effective only when a written change request is executed by authorized representatives of both parties.

1.4. The items described above may be transmitted by electronic mail, as part of the body of the electronic mail. Customer's electronic mail(s) accepting the proposed Work Statement shall be deemed an execution of the Work Statement by Customer, and Blackboard may also execute the Work Statement by electronic mail acceptance.

1.5. Execution of Work Statements. Each Work Statement (including agreed modifications to pre-existing Work Statements) must be signed by a duly authorized representative of each party or must be approved by a duly authorized representative of each party in an electronic mail which clearly identifies the Work Statement in respect of which approval is being given before it becomes part of this PSA and thereby becomes binding on the parties.

1.6 Separate agreement. The execution of a Work Statement by both parties shall, in each case, bring into force a separate agreement between the parties in respect of the Professional Services. The terms of each Work Statement shall be the terms set out therein together with the terms of this PSA. In the event of any conflict between the terms of the Work Statement and this PSA, the terms of the relevant Work Statement shall prevail.

2. PERSONNEL.

2.1 Suitability. Blackboard shall assign employees and subcontractors with qualifications suitable for the work described in a Work Statement. Blackboard may replace or change employees and subcontractors in its sole discretion with other suitably qualified employees or subcontractors.

2.2 Security. While on Customer's premises, Blackboard's employees and subcontractors will comply with all reasonable security practices and procedures generally prescribed by Customer, to the extent

that such practices and procedures have been notified to Blackboard in writing in advance. Blackboard's employees and subcontractors will not be required to sign any waivers, releases or other documents relating to ownership of intellectual property or changes, modifications, amendments or waivers to any previously agreed to contract provision in order to gain access to Customer's premises in connection with the Professional Services and any such waivers, releases, or other documents shall be invalid and shall have no effect.

2.3 Nonsolicitation. Throughout the Initial Term and any Renewal Term of this PSA and for a period of 12 months thereafter, Customer agrees not to solicit or retain the services of any person who is an employee of Blackboard and who was engaged in rendering Professional Services. The parties agree that the restrictions set forth in this Section 2.3 shall not apply to solicitations directed at the public in general, or to the retention of the services of an individual as a consequence of that individual responding to such a public solicitation.

3. FEES AND PAYMENT.

3.1 Payment. In consideration for Blackboard's performance under this PSA, Customer agrees to pay Blackboard all fees required by the Work Statements, as applicable, which fees will be due in accordance with the provisions of the relevant Work Statements, but in no event later than thirty (30) days after the date of an invoice from Blackboard. Customer will pay all fees in U.S. dollars. ALL Payments shall be sent to the address indicated on the invoice.

3.2 Late Fees. Blackboard may charge interest on any overdue amounts at the lower of (i) the highest permissible rate or (ii) 18% per annum, charged at 1.5% per month from the date on which such amount fell due until the date of payment, whether before or after judgment.

3.3 Expenses. Blackboard agrees to use the Expenditure Guidelines from Customer's Travel Standards Policy, as listed in Exhibit A to this Agreement. Except as provided above, each party will be responsible for its own expenses incurred in rendering performance under this PSA and each applicable Work Statement, including, without limitation, the cost of facilities, work space, computers and computer time, development tools and platforms, utilities management, personnel and supplies.

3.4 Fees. Unless otherwise stated in a Work Statement: Blackboard will bill a minimum of 1 day per consultant when on site and shall also bill Customer for travel time to and from the site that exceeds 5 hours.

3.5 Payment. Unless otherwise stated in a Statement of Work, Blackboard will bill clients monthly for Professional Services, as delivered. Unless otherwise stated in a Work Statement, payment for performance of Professional Services is due when and as performance is rendered. Customer will promptly pay Blackboard within thirty (30) days after the date of the applicable invoice from Blackboard. Invoices not paid within thirty (30) days after the date of the invoice shall accrue interest at the rate of one and one-half percent (1.5%) per month (prorated for partial periods) or the maximum rate permitted by applicable law, if less. Customer will reimburse Blackboard for all reasonable costs incurred (including reasonable attorneys' fees) in collecting past due amounts owed by Customer.

3.6 Taxes. The fees hereunder do not include any sales, use, excise, import or export, value-added or similar tax or interest, or any costs associated with the collection or withholding thereof, or any government permit fees, license fees or customs or similar fees levied on the performance of Professional Services by Blackboard. All payments due under this PSA shall be made without any deduction or withholding, unless such deduction or withholding is required by any applicable law of any relevant governmental revenue authority then in effect. If Customer

Grand Rapids Community College

is required to deduct or withhold, Customer will promptly notify Blackboard of the requirement, pay the required amount to the relevant governmental authority, provide Blackboard with an official receipt or certified copy or other documentation acceptable to Blackboard evidencing payment, and pay to Blackboard, in addition to the payment to which Blackboard is otherwise entitled under this PSA, such additional amount as is necessary to ensure that the net amount actually received by Blackboard equals the full amount Blackboard would have received had no such deduction or withholding been required.

3.8 Records. Blackboard will keep reasonable books of account in support of charges under this PSA. All such records will be open for review or audit by Customer at reasonable times and upon reasonable notice solely to support charges based on expenses, for time or materials or similar invoice items. An audit of such records may be made only at Customer's expense, no more than once a year, by an independent firm of accountants as may be reasonable acceptable to Blackboard.

4. PROPRIETARY RIGHTS.

4.1 Ownership of Customer Property. As between Customer and Blackboard, Customer Property, together with all Derivative Works therefrom, are and shall, subject to the provisions of Section 4.5 below, remain the sole and exclusive property of Customer, including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights therein.

4.2 Ownership of Blackboard Property, Software and Blackboard Tools. As between Customer and Blackboard, Blackboard Property, Software and Blackboard Tools, and all other content not deemed to be Customer Property, together with any and all Derivative Works therefrom, are and shall remain the sole and exclusive property of Blackboard or its licensors or suppliers, including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights inherent therein and appurtenant thereto. Nothing in this PSA shall be construed to grant Customer any ownership right in Blackboard Tools, Software, Blackboard Property or any other software owned or licensed by Blackboard.

4.3 Vesting of Rights. To the extent, if any, that ownership of the Blackboard Property, Software, or Blackboard Tools do not automatically vest in Blackboard by virtue of this PSA, Customer hereby transfers and assigns to Blackboard all rights, title interest and goodwill which Customer may have in and to Blackboard Property and/or Blackboard Tools. Customer acknowledges that it has no rights of exclusivity as to any of the services to be provided by Blackboard under this PSA, and that Blackboard shall have the right to provide to third parties services which are the same or similar to the services provided to Customer, and to use or otherwise exploit any Blackboard Property, Software, and Blackboard Tools in providing such services.

4.4 Non-exclusivity. Customer acknowledges that it has no rights of exclusivity as to any of the services to be provided by Blackboard under this PSA, and that Blackboard shall have the right to provide to third parties with services which are the same or similar to the services provided to Customer, and to use or otherwise exploit any Blackboard Property, Software, and Blackboard Tools in providing such services.

4.5 Blackboard Use of Customer Property. During the term of this PSA, Customer shall grant and hereby grants to Blackboard, solely to perform its obligations hereunder, a non-exclusive, royalty-free license (a) to modify, arrange, combine, copy, store, transmit, distribute, and otherwise use the Customer Property and each element thereof generally and in combination with other elements of the Customer Property and the Blackboard Property, and (b) to make archive or backup copies and other copies of the Customer Property. Customer hereby grants to Blackboard an unrestricted, irrevocable (subject to a material breach), non-exclusive, perpetual, worldwide license to use the Customer Property during the Term of this PSA, for the sole purpose of performing its obligations hereunder. Nothing in this PSA shall be construed to grant Blackboard any ownership right in, or license to, the Customer Property, except as provided in this Section 4.4 of this PSA.

4.6 Customer Use of Blackboard Property. Blackboard hereby grants to Customer, a non-exclusive, nontransferable, worldwide, royalty-free license to use the Blackboard Property solely for the purpose of operating any Blackboard Software separately licensed for the term of the

such software license agreement. To the extent Blackboard Tools are incorporated and/or embedded into the Blackboard Property used for the operation of the Blackboard Software, Customer shall be granted a worldwide, royalty-free license to use and operate the Blackboard Tools solely in conjunction with the Blackboard Property.

4.7 Confidential Information. The receiving party agrees that all Confidential Information and Materials furnished to the receiving party by the disclosing party shall remain the exclusive property of the disclosing party.

5. CONFIDENTIALITY.

5.1 Nondisclosure and Nonuse. Each party will keep the other party's Confidential Information confidential. Specifically, each party receiving Confidential Information, including but not limited to, Materials containing Confidential Information shall (a) disclose such Confidential Information except to only those directors, officers, employees and agents of such party (i) whose duties justify their need to know such information and (ii) who have been clearly informed of their obligation to maintain the confidential, proprietary and/or trade secret status of such Confidential Information; and (b) . Each party receiving Confidential Information further agrees that it will not use such Confidential Information except for the purposes set forth in this PSA. Each party receiving Confidential Information shall treat such information as strictly confidential, and shall use the same care to prevent disclosure of such information as such party uses with respect to its own confidential and proprietary information, provided that in any case it shall not be use less than the care a reasonable person would use under similar circumstances. Notwithstanding the foregoing, each party may disclose Confidential Information to the extent necessary pursuant to applicable federal, state or local law, regulation, court order, or other legal process, provided the receiving party has given the disclosing party prior written notice of such required disclosure and, to the extent reasonably possible, has given the disclosing party an opportunity to contest such required disclosure at the disclosing party's expense.

5.2 Notice. The receiving party will promptly notify the disclosing party immediately in the event the receiving party learns of any unauthorized possession, use or disclosure of the Confidential Information and/or Materials containing Confidential Information, and will cooperate with and provide such cooperation as the disclosing party may reasonably request, at the disclosing party's expense, in any litigation against any third persons to protect the disclosing party's rights with respect to the Confidential Information and Materials.

5.3 Confidential Treatment of Agreement. Neither Except as otherwise provided by law, neither party shall disclose the terms of this PSA to any third party; provided, however, that either party may disclose the terms of this PSA to its affiliates, attorneys and accountants, professional advisers, or to any potential investor or acquirer of a substantial part of such party's business (whether by merger, sale of assets, sale of stock or otherwise)), provided that such third party is bound by a written agreement or legal duty on terms at least as onerous as those set out in this Section 5 to keep such terms confidential, or as may be required by law. .

5.4 Exceptions to Confidential Treatment. Notwithstanding the foregoing, the preceding provisions of this Section 5 will not apply to Confidential Information that (i) is publicly available or in the public domain at the time disclosed; (ii) is or becomes publicly available or enters the public domain through no fault of the recipient; (iii) is rightfully communicated to the recipient by persons not bound by confidentiality obligations with respect thereto; (iv) is already in the recipient's possession free of any confidentiality obligations with respect thereto at the time of disclosure; (v) is independently developed by the recipient; or (vi) is approved for release or disclosure by the disclosing party without restriction. Each party may disclose Confidential Information to the limited extent necessary (x) to comply with the order of a court or competent jurisdiction or other governmental body having authority over such party, provided that the party making the disclosure pursuant to the order will first have given notice to the other party and made a reasonable effort to obtain a protective order; (y) to comply with applicable law or regulation requiring such disclosure; or (z) to make such

court filings as may be required to establish a party's rights under this PSA.

6. TERM; TERMINATION.

6.1 Term. This PSA shall commence on the date of execution and shall continue unless terminated prior to expiration in accordance with Section 6.2 below.

6.2 Termination.

6.2.1 Work Statements. Unless otherwise stated in the applicable Work Statement, the term of each Work Statement shall last until performance thereunder is completed, except that either party may, at its sole option and for its own convenience, terminate any or all Work Statements in effect upon fifteen (15) days prior written notice. Upon such termination, the parties shall inform each other of the extent to which performance has been completed through such date, and collect and deliver all work in process. In the event of termination, the parties agree to wind up their work in a commercially reasonable manner and to preserve and deliver items of value created prior to termination. Blackboard shall be paid forthwith for all work performed and expenses incurred through the date of termination.

6.2.2 Default. Either party may terminate this PSA or a Work Statement upon a material or continuing breach of this PSA or such Work Statement by the other party by giving the breaching party thirty (30) days prior written notice of termination, stating the cause therefore, with termination becoming effective at the close of said 30-day term if the breach is not then cured to the satisfaction of the party giving notice.

6.2.3 Termination for Breach. In the event that either party materially breaches any obligation, representation or warranty under this PSA, the non-breaching party may terminate this PSA in its entirety, or, at the non-breaching party's option, it may terminate solely the relevant Work Statement pursuant to which such breach has occurred, provided in either case that such breach has not been corrected within thirty (30) days after receipt of a written notice of such breach. Without limiting the foregoing, either party may terminate this PSA immediately upon written notice to the other party in the event the other party materially breaches the provisions of Section 5.

6.2.4 Effect of Termination. In the event of termination or expiration of this PSA, Blackboard shall return all Confidential Information and Materials of Customer and Customer shall return any Innovations and all Confidential Information and Materials of Blackboard.

6.2.5 Termination for Insolvency. Without prejudice to any other available remedies, either party may terminate this PSA immediately upon written notice if (i) the other party becomes insolvent or makes an arrangement with its creditors generally or has a liquidator or a receiver appointed over a substantial part of its business or assets or commences to be wound up (other than for the purposes of a solvent amalgamation or reconstruction) or (ii) any other circumstances arise in any jurisdiction which entitle a Court or a creditor to appoint a liquidator, receiver, administrative receiver or administrator or equivalent officer or make a winding up order in relation to such party.

6.2.6 Survival. The termination or expiration of this PSA shall not relieve either party of any obligation or liability accrued hereunder prior to or subsequent to such termination, nor affect or impair the rights of either party arising under this PSA prior to or subsequent to such termination or expiration, except as expressly provided herein.

7. LIMITED WARRANTY; LIMITATION OF LIABILITY.

7.1 Blackboard Warranties. Blackboard represents and warrants that it has the power and authority to enter into and perform its obligations under this PSA.

7.2 Customer Warranties. Customer represents and warrants that it has the power and authority to enter into and perform its obligations under this PSA.

7.3 Disclaimer of Warranties. EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN SECTION 7.1, ALL THE FOLLOWING PARAGRAPHS OF THIS SECTION 7 ARE IMPORTANT LEGAL LANGUAGE. PLEASE READ THESE PARAGRAPHS CAREFULLY AS THEY LIMIT BLACKBOARD'S LIABILITY TO CUSTOMER.

7.3 Disclaimer of Warranty. EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN SECTION 7.1, ALL PROFESSIONAL SERVICES UNDER ANY WORK STATEMENT ARE PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

7.4 Limitations of Liability. CUSTOMER'S SOLE REMEDY FOR ANY DELAY OR DEFICIENCY IN PERFORMANCE OF ANY PROFESSIONAL SERVICES SHALL BE TERMINATION OF THE APPLICABLE WORK STATEMENT. BLACKBOARD SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THIS PSA OR ANY WORK STATEMENT OR OTHERWISE, REGARDLESS OF THE FORM OF ACTION GIVING RISE TO SUCH LIABILITY (WHETHER IN CONTRACT, TORT OR OTHERWISE), AND INCLUDING ANY LIABILITY UNDER THIS ARTICLE, SHALL NOT EXCEED THE AGGREGATE FEES PAID BY CUSTOMER TO BLACKBOARD UNDER THIS PSA. NEITHER BLACKBOARD NOR ITS SUBCONTRACTORS SHALL BE LIABLE FOR ANY INDIRECT, EXEMPLARY, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS INTERRUPTION, OR LOST DATA) ARISING OUT OF THE PROFESSIONAL SERVICES, EVEN IF BLACKBOARD OR ITS SUBCONTRACTORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING STATES THE ENTIRE LIABILITY OF BLACKBOARD WITH REGARD TO THIS PSA AND THE PROFESSIONAL SERVICES PROVIDED PURSUANT TO THIS PSA. THE LIMITATIONS OF LIABILITY CONTAINED IN ARTICLE 5, AND THIS SECTION 7.4 ARE A FUNDAMENTAL PART OF THE BASIS OF BLACKBOARD'S BARGAIN HEREUNDER, AND BLACKBOARD WOULD NOT ENTER INTO THIS PSA ABSENT SUCH LIMITATIONS.

7.5 Liability Not Excluded. Nothing in this Section 7 excludes or limits the liability of Blackboard or its licensors or suppliers to the Customer for death or personal injury caused by the negligence of Blackboard, its licensors or its suppliers or any other liability which cannot be excluded by law.

7.6 Essential Basis. The parties acknowledge and agree that the disclaimers, exclusions and limitations of liability set forth in this Section 7 form an essential basis of this PSA, and that, absent any of such disclaimers, exclusions or limitations of liability, the terms of this PSA, including, without limitation, the economic terms, would be substantially different.

8. MISCELLANEOUS MATTERS

8.1 Severability. Should any term or provision of this PSA be finally determined by a court of competent jurisdiction to be void, invalid, unenforceable or contrary to law or equity, the offending term or provision shall be construed (i) to have been modified and limited (or if strictly necessary, deleted) only to the extent required to conform to the requirements of law and (ii) to give effect to the intent of the parties (including, without limitation, with respect to the economic effect of the PSA), and the remainder of this PSA (or, as the case may be, the application of such provisions to other circumstances) shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

8.2 Conflict Resolution. Except with respect to controversies or claims regarding either party's Confidential Information or proprietary rights under this PSA, in the event any controversy or claim arises in connection with any provision of this PSA, the Parties shall try to settle their differences amicably between themselves by referring the disputed matter to their respective designated representatives for discussion and resolution. Either party may initiate such informal dispute resolution by sending written notice of the dispute to the other party, and if such representatives are unable to resolve such dispute within thirty (30) days of initiating such negotiations, either party may seek the remedies available to such party under law. Notwithstanding the foregoing, nothing in this Section 8.2 will be construed to limit either party's rights under Sections 6 and 8.8.

8.3 Governing Law. This Agreement shall for all purposes be governed by and interpreted in accordance with the laws of the State of Michigan. The U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

8.4 Modifications and Waiver. Subject to the provisions of Section 1.3 above, no modification, amendment, supplement, or other change to this PSA will be effective unless set forth in writing and signed by duly authorized representatives of Blackboard and Customer. No waivers under this PSA will be effective unless expressly set forth in writing and signed by a duly authorized representative of the party against whom enforcement thereof is sought. The failure of either party to insist upon strict performance of any provision of this PSA, or to exercise any right provided for herein, shall not be deemed to be a waiver of such provision or right with respect to subsequent claims (unless expressly so stated in a valid amendment or waiver), and no waiver of any provision or right shall affect the right of the waiving party to enforce any other provision or right herein.

8.5 Assignment by Customer. No right or obligation of Customer under this PSA may be assigned, delegated or otherwise transferred, whether by agreement, operation of law or otherwise, without the express prior written consent of Blackboard, and any attempt to assign, delegate or otherwise transfer any of Customer's rights or obligations hereunder, without such consent, shall be void.

8.6 Assignment by Blackboard. Blackboard may assign, delegate or otherwise transfer its rights and/or its obligations under this PSA, in whole or in part, to any third party provided that, where such transfer is to a third party which is not an Affiliate of Blackboard, Blackboard shall notify the Customer in writing in advance.

8.7 Successors and Assigns. Subject to the provisions of Sections 8.5 and 8.6 above, this PSA shall bind each party and its permitted successors and assigns.

8.8 Remedies. The Parties agree that any breach of this PSA may cause irreparable injury for which no adequate remedy at law exists; therefore, the Parties agree that equitable remedies, including without limitation, injunctive relief and specific performance, are appropriate remedies to redress any breach or threatened breach of this PSA, in addition to other remedies available to the Parties. All rights and remedies hereunder shall be cumulative, may be exercised singularly or concurrently and shall not be deemed exclusive except as provided in Sections 6 and 7. If any legal action is brought to enforce any obligations hereunder, the prevailing party shall be entitled to receive its legal fees, court costs and other collection expenses, in addition to any other relief it may receive.

8.9 Notices. Any notice or communication permitted or required hereunder shall be in writing and shall be delivered in person or by courier, sent by facsimile, or mailed by certified or registered mail, postage prepaid, return receipt requested.

8.10 Force Majeure. Except with regard to payment obligations, neither party will be responsible for any failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts or inability to obtain any export or import license or other approval or authorization of any government authority.

8.11 Relationship. Blackboard and Customer are independent contracting parties. This PSA shall not constitute the Parties as principal and agent, partners, joint venturers, or employer and employee.

8.12 Entire Agreement. This PSA including Work Statement(s), constitutes the entire, full and complete agreement between the Parties concerning the subject matter of this PSA and supersedes all prior or contemporaneous oral or written communications, proposals, conditions, representations and warranties, and this PSA prevails over any conflicting or additional terms of any quote, order, acknowledgment, or other communication between the Parties relating to its subject matter. This means that Customer may not and should not rely on any sales or marketing materials provided to it by Blackboard. Blackboard's only obligations to Customer related to the subject matter of this PSA are set forth in this PSA. Notwithstanding the foregoing, nothing in this PSA

shall exclude or restrict the liability of either party arising out of fraud or fraudulent misrepresentation.

8.13 Rights of Third Parties. (i) It is hereby agreed that Blackboard's suppliers and licensors may enforce the benefits expressly conferred on them by Section 7 of this PSA in accordance with the terms of the Contracts (Rights of Third Parties) Act 1999. (ii) Except as provided in Section 8.13 (i), the Contracts (Rights of Third Parties) Act 1999 shall not apply to this PSA. Accordingly, a person who is not a party to this PSA shall not be entitled to enforce any term of this PSA which expressly or by implication confers a benefit on that person without the express prior agreement in writing of the Parties. Any such agreement by the Parties must refer to this Clause 8.13.

Notwithstanding Section 8.13 (i), the Parties may rescind, vary, amend or terminate this PSA without the consent of any such supplier or licensor notwithstanding that such a supplier or licensor has relied on, or indicated assent to, any term of this PSA.

9. DEFINITIONS.

Any capitalized terms not defined in this PSA shall have the meaning set forth in the Master Terms.

9.1 "Affiliate" means any subsidiary, holding company and/or subsidiaries of such holding company as they may change from time to time, "subsidiary" and "holding company" having for these purposes the meaning ascribed to them in Sections 736 and 736A of the Companies Act 1985, as amended.

9.2 "Blackboard" means Blackboard Inc., a Delaware corporation having a principal place of business at 1899 L Street N.W., 5th Floor, Washington, DC 20036.

9.3 "Blackboard Property" means all materials, including, but not limited to any computer software (in object code and source code form, and including, without limitation, all interfaces), script, programming code, data, database schema, web use statistics, information or HTML script, made, conceived, developed or provided by Blackboard or its suppliers under this PSA and any trade secrets, know-how, methodologies and processes related to Blackboard's products or services, all of which shall remain the sole and exclusive property of Blackboard or its suppliers, including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights inherent therein and appurtenant thereto.

9.4 "Blackboard Tools" mean all design elements, formulas, documentation, templates, formatting, CGIs, Java scripts, PL/SQL coding, other applications, content, software or other technology embodied in or used in connection with the development of the Blackboard Property pursuant to this PSA, all of which shall remain the sole and exclusive property of Blackboard or its suppliers, including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights inherent therein and appurtenant thereto.

9.5 "Confidential Information" means any non-public information disclosed by either Party to the other, related to the operations of either Party or a third party, including that has been identified as confidential or that by the nature of the information or the circumstances surrounding disclosure ought reasonably to be treated as confidential. Without limiting the generality of the foregoing, Confidential information will be deemed to include, without limitation, the information about a Party's business, vendors, customers, products, services, employees, finances, costs, expenses, financial or competitive condition, policies, and practices, computer software programs and programming tools and their respective design, architecture, modules, interfaces, databases and database structures, non-literal elements, capabilities and functionality, source code and object code, as well as research and development efforts, marketing and distribution efforts, licensing, cross-licensing, marketing and distribution practices; , computer software programs and other information licensed or otherwise disclosed to a Party in confidence by a third party, and any other non-public information that does or may have economic value by reason of not being generally known.

9.6 "Derivative Work" means a work that is based upon one or more preexisting works, such as a revision, modification, translation, abridgment, condensation, expansion, or any other form in which such preexisting works may be recast, transformed, or adapted (including by


Grand Rapids Community College

framing a preexisting work into the Derivative Work so that a Web browser would display the preexisting work within the Derivative Work), and that, if prepared without authorization of the owner of the copyright in such preexisting work, would constitute a copyright infringement. For purposes hereof, a Derivative Work shall also include any compilation that incorporates such a preexisting work.

9.7 "Customer Property" means all graphic user interface, text, images, music, designs, products, computer programs, drawings, documentation, notes, development aids, technical documentation, information and other materials provided by Customer to Blackboard for use in connection with the performance of Professional Services and operation of the Software and Blackboard Property, all of which shall remain the sole and exclusive property of Customer, including, without limitation, all copyrights, trademarks, patents, trade secrets, and any other proprietary rights inherent therein and appurtenant thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Professional Services Agreement as of the date first written above.

BLACKBOARD


 Signature **Teresa Frazier**
 Print Name and Title
Senior Director, Contracts
 Date: **12/19/03**

9.8 "Effective Date" means the date upon which both parties have executed this PSA.

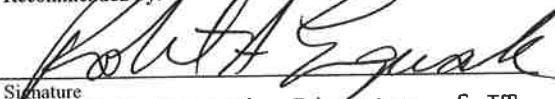
9.9 "Materials" means all memoranda, notes, records, drawings, manuals, disks, or other documents and media (including all copies, extracts, and summaries thereof) of a party.

9.10 "Professional Services" means those professional services described in each applicable Work Statement.

9.11 "Supported Interfaces" means application-based interfaces (API), network protocols, data formats, database schemas, and file formats used in the Software as described in the documentation included with the Software.

9.12 "Work Statement" means a written instrument in the form attached hereto as an addendum.

CUSTOMER: Grand Rapids Community College
 Recommended by:


 Signature
Robert A Engmark, Director of IT
 Print Name and Title
12/19/03
 Date:

CUSTOMER: Grand Rapids Community College



 Signature
Robert W Partridge, Exec VP Financial Services
 Print Name and Title

Exhibit A to the Professional Services Agreement
Travel Standards Policy

1. Expenditure Limits

a. Meals:

Grand Rapids Community College will reimburse actual expenditures for meals by a Blackboard employee not to exceed the Federal Per Diem Rates for high cost areas as established by the Internal Revenue Service, except where meals are part of a conference or workshop cost and are included in the registration fee. What is the Federal Per Diem Rate?

b. Use of Blackboard employee owned automobile:

Mileage for business related travel by automobile may be made at a level up to, but not exceed, the most current IRS publicized rate for mileage reimbursement. In addition, reimbursement will be allowed for reasonable and/or actual costs incurred by tolls and parking. Reimbursement of mileage and related expenses may not exceed second class or coach air fare for the same trip.

c. Lodging:

Actual costs will be reimbursed at no more than the single rate or the approved conference negotiated rate. In no instance shall the reimbursement exceed the Blackboard employee's actual costs, such as could be the case if two Blackboard employees shared a room. If an Blackboard employee shares a room with a person other than another Blackboard employee, the Blackboard employee will be reimbursed for the room at the single room rate. Personal items such as in-room movies are not reimbursable.

d. Gratuities:

Reimbursement for gratuities shall not exceed 20% for meals. Reasonable bellhops, cab service, etc., will be allowed.

e. Business Phone Calls:

Charges for telephone calls are reimbursed if they are incurred in connection with College business. Cellular/car phone calls tend to be expensive. It is the College's intent to limit the reimbursement requests for business phone calls placed on personal cellular/car phones. Explanation of expenditures shall be reflected on telephone documents. Employees are allowed reimbursement for one personal call per day while on extended College business.

f. Other:

Actual costs for purchase of supplies, rental of audio-visual materials, or other similar items will be reimbursed upon presentation of proper approvals and documentation.

2. Disallowed expenses:

Expenses that are not business related will be disallowed.

**EXHIBIT A TO
BLACKBOARD PROFESSIONAL SERVICES AGREEMENT**

STATEMENT OF WORK

DATA INTEGRATION and SYSTEM CONFIGURATION

This Initial Work Statement is a preliminary expectation of both Blackboard and Grand Rapids Community College of the services that may need to be performed. As such it may be modified by a writing approved by the designated project managers of each Blackboard and Customer. The work described below is intended to be performed on a time and materials basis, and any limitation of or cap on the costs or fees must be the subject of an amendment executed by the authorized officers of each Party.

Title	On-site Hourly Billing Rate	Remote Hourly Billing Rate
Blackboard Consultant	\$175	\$175
Technical Implementation Specialist (TIS)	\$175	\$175

Introduction

Blackboard Transaction System offers a reliable and sophisticated application for powering student commerce and access transactions including e-Debit processing, Web deposits and more. Blackboard partners with each Customer to define and achieve an integrated solution. Blackboard's experienced consultants use their depth of experience to provide valuable project management and technical leadership to ensure the success of each project.

This document briefly describes Blackboard's understanding of Customer's project objectives, and their associated activities and costs. Once accepted, the contents of this SOW will form the basis of a Statement of Work (SOW), which is an attachment to a Professional Services Agreement between Blackboard and Customer. The Professional Services Agreement will legally control the delivery of services.

The project schedule, level of effort and associated costs specified in this document are estimates only. Unforeseen or requested changes in requirements, technology, scheduling and resources may cause these to change. Additionally, the schedule for this project will be reassessed after the Professional Services Agreement has been executed. While the pricing of this estimate is valid for thirty (30) days, the schedule is wholly dependent upon the date on which the contract is signed. Any delays in executing this agreement will impact the timeframe in which the project is implemented.

Project Definition

Configuration Services will provide the setup needed to successfully prepare Customer site for usage of the Blackboard Transaction System. Blackboard will configure the Blackboard Transaction System according to the specific guidance from the Customer, and specific information provided in the Data Acquisition Guide Worksheets, Installation Notes Worksheet, and Cardholder Database User Defined Fields.

Project Objective

The project objective is for Blackboard to remotely configure the Customer's Blackboard Transaction System software, according to the specific guidance from the Customer.

Scope of Work

Blackboard Technical Solutions Activities

The following table highlights the services offered during Configuration Services. These activities are further defined by a description of the tasks that make up each activity. This SOW assumes active participation on the behalf of the Customer site personnel. Modifications will be configured on Customer site if a Blackboard representative is already present; otherwise, adjustments will be handled remotely. Such configuration adjustments exclude changes to the User Defined Fields. The Customer is entitled to a one time, free of charge change to the User Defined Fields. Additional changes to the User Defined Fields will be performed and billed on a time and materials basis.

Activity	Description of Associated Tasks
Meeting Coordination	Coordinating a Data Acquisition site visit that will include meetings with all Customer department personnel utilizing the Blackboard Transaction System software.
Data Acquisition Visit	Facilitating meetings during the Data Acquisition site visit to acquire the information necessary to complete the Data Acquisition Guide Worksheets, Installation Notes Worksheet, and Cardholder Database User Defined Fields. Meet with all departments at the Customer's site who will be utilizing the Blackboard Transaction System software to provide basic system education, acquire necessary data and identify and establish Customer expectations.

Grand Rapids Community College

Activity	Description of Associated Tasks
Configuration Plan	Developing a system configuration plan with assistance from Customer, completing the Data Acquisition Guide Worksheets, and establishing Cardholder Database User Defined Fields, including researching any configuration issues or concerns brought up during the Data Acquisition Visit and mapping the system setup.
Data Confirmation Visit	Facilitating an on-site visit to meet with the primary point of contact and all departments at the Customer's site who will be utilizing the Blackboard Transaction System software. At this meeting a Blackboard representative will review the completed Data Acquisition Guide Worksheets, Installation Notes Worksheet and Cardholder Database User Defined Fields. The Blackboard representative will also review the resulting system functionality and must receive a signature from the Customer's primary contact person agreeing to the configuration parameters. Any future revisions/modifications done by Blackboard at the Customer's request are billable and/or are the responsibility of the Customer.
Remote Configuration	Remotely configuring the Blackboard Transaction System software with all the data gathered from the Data Acquisition Visit and agreed to by the Customer. Make any necessary configuration adjustments to the Blackboard Transaction System software based on Customer's request, but not to exceed eight (8) hours of adjustments and must be within the approved scope of the Agreement.

Estimate

This section describes the assumptions for the estimate and provides the estimate of number of days and/or hourly costs. Costs are broken down into two categories – labor associated with the activities as shown above and reimbursable travel and expenses.

Basis of Estimate

The total cost should be considered a budgetary estimate. Changes to scope, resources and timeline may impact this estimate. Billing will reflect total number of days and/or hours that services are performed by each Blackboard Consultant/TIS and their daily and/or hourly billable rates. This discussion should occur prior to Customer signing a Professional Services Agreement, in order to ensure that Customer's Statement of Work accurately reflects the activities in which Blackboard will be engaged.

Project Costs

The following table calls out the number of days and hours per Blackboard Consultant/TIS resource that Blackboard estimates will be required to successfully implement the scope of activities delineated above.

Task	Total On-site Hours	Total Remote Hours	Total Amount
Consultant/TIS	32	40	\$12600
Estimated Travel Expenses (1 visit) –Reimbursement will be in accordance with PSA	N/A	N/A	\$2000

BLACKBOARD WILL NOT CHARGE CUSTOMER FOR TRAVELTIME TO AND FROM CUSTOMER'S SITE.**Payment**

Customer shall pay Blackboard the professional services fees within thirty (30) days of the date of an invoice from Blackboard. All fees are payable in U.S. dollars and shall be sent to the attention of Blackboard's Accounts Receivable Department. Payments shall be sent to Blackboard Inc. as specified on the invoice.

Project Guidelines**General**

The following guidelines enable clear communication and sensible risk management.

- Blackboard staff work on a time & materials basis.
- Each project has a Blackboard Project Manager responsible for fulfilling the terms and conditions of the Professional Services Agreement, financial tracking, and project communication.
- Client Relationship Managers provide continuity of contact with Blackboard for general questions, concerns or information across the various departments at Blackboard.
- Blackboard's Product Support help desk provides support and maintenance dictated by the Product Support and Maintenance Agreement.
- This SOW covers the implementation activities described above. Maintenance of the customized solution is not addressed in this document.

Customer Responsibilities

The following requirements associated with this service must be met. The Customer must provide access to the necessary personnel involved in the Blackboard Transaction System. These key people, if applicable, must be available during Configuration Services sessions:

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

System Administrator, Communications Maintenance Staff or contractors, Physical Facilities Management, Food Services Manager, Library Contact person, programming staff and Laundry/Vending/Copy Reader vendors. These key people must provide data for the Data Acquisition Worksheets, Installation Notes Worksheet and Cardholder Database User Defined Fields within the time parameters outlined in the timeline found in the Post Survey Report, and must provide signoff for the Data Acquisition Guide Worksheets.

Assumptions

The activities and estimates called out in this SOW are subject to certain assumptions presented below. In addition, this project is subject to certain risks that could negatively affect the project's outcome and determine whether the project is completed within scope, on time and within budget.

- A single Customer project manager will determine the scope of work, project requirements, quality control measures, and the project budget and schedule. This Customer project manager authorizes the Blackboard project manager to perform work within the guidelines of the Statement of Work in the Professional Services Agreement.
- To the extent possible, the Customer team will be an integral part of the process and will participate in the development, testing and quality assurance of the solution being implemented.
- The Customer will provide all network and systems configuration information and systems access, as required for the proper integration with Blackboard Transaction System.

Risks

- The Customer project manager is not available on a day-to-day basis to make critical project decisions that are required to allow the work to progress.
- The Customer project manager is not authorized to make critical project decisions.
- The Customer project manager is not authorized to approve expenditure of funds in accordance with the Professional Service Agreement Statement of Work.
- The Customer team is not able or willing to participate in the process as is required to meet budgetary and schedule limitations.

After the Agreement is Signed

Once the Customer has signed the Professional Services Agreement with an associated Statement of Work, the project can begin. The following steps typically occur.

- A Blackboard project manager is assigned.
- The Blackboard project manager contacts the Customer to schedule a Kick-Off teleconference meeting. This call will include the Blackboard project manager and key members of the Customer project team. During this call, the SOW will be reviewed and preliminary project planning will begin.
- Detailed planning is critical to the success of the project. For this reason, full participation in the Project Kick-Off meeting is required. The Blackboard project manager will provide information concerning the meeting and necessary attendees, prior to the meeting.
- The project is typically kicked-off with a full (Blackboard and Customer) team meeting at the Customer's site, during which a detailed requirements analysis is performed.

IN WITNESS WHEREOF, the parties hereto have executed these Master Terms as of the date first written above.

BLACKBOARD

Signature


Teresa Frazier

Print Name and Title

Senior Director, Contracts


Date:

12/19/03

CUSTOMER: Grand Rapids Community College

Recommended by

Signature


Robert A Engmark, Director of IT

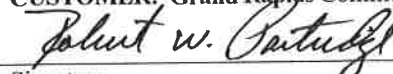
Print Name and Title

12/19/03

Date:

CUSTOMER: Grand Rapids Community College

Signature


Robert W Partridge, Exec VP of Financial

Print Name and Title

Services

**EXHIBIT B TO
BLACKBOARD PROFESSIONAL SERVICES AGREEMENT**

STATEMENT OF WORK

IMPLEMENTATION MANAGEMENT ASSISTANCE

This Initial Work Statement is a preliminary expectation of both Blackboard and **Grand Rapids Community College** of the services that may need to be performed. As such it may be modified by a writing approved by the designated project managers of each Blackboard and Customer. The work described below is intended to be performed on a time and materials basis, and any limitation of or cap on the costs or fees must be the subject of an amendment executed by the authorized officers of each Party.

Title	Hourly Billing Rate
Blackboard Consultant	\$175

Introduction

Blackboard Transaction System offers a reliable and sophisticated application for powering student commerce and access transactions including e-Debit processing, Web deposits and more. Blackboard partners with each customer to define and achieve an integrated solution. Blackboard's experienced consultants use their depth of experience to provide valuable project management and technical leadership to ensure the success of each project.

This document briefly describes Blackboard's understanding of Customer's project objectives, and their associated activities and costs. Once accepted, the contents of this SOW will form the basis of a Statement of Work (SOW), which is an attachment to a Professional Services Agreement between Blackboard and Customer. The Professional Services Agreement will legally control the delivery of services.

The project schedule, level of effort and associated costs specified in this document are estimates only. Unforeseen or requested changes in requirements, technology, scheduling and resources may cause these to change. Additionally, the schedule for this project will be reassessed after the Professional Services Agreement has been executed. While the pricing of this estimate is valid for thirty (30) days, the schedule is wholly dependent upon the date on which the contract is signed. Any delays in executing this agreement will impact the timeframe in which the project is implemented.

Project Definition

Project Management Assistance will provide Customers with a Project Manager to provide overall coordination and management of the implementation project including scheduling and managing of Blackboard resources and the definition and communication of project tasks.

Project Objective

The project objective is to provide Customers with a system implemented by the desired go-live date and a campus capable of managing and supporting the system on an ongoing basis. This service is required for Customers that are involved in a new Blackboard Transaction System implementation, and is also offered for Customers that are expanding their Blackboard Transaction System with additional readers/registers or modules.

Scope of Work

Blackboard Technical Solutions Activities

The following table highlights the services offered as Project Management Assistance. These activities are further defined by a description of the tasks that make up each activity. This SOW assumes active participation on the behalf of Customer's site personnel.

Activity	Description of Associated Tasks
Project Planning	Blackboard Consultant will develop the Implementation Master Plan, which will outline all project tasks to be completed by Blackboard and the campus. Each task will be assigned an appropriate owner and due date.
Project Updates	The Blackboard Consultant will work with the campus to hold regular project checkpoints and provide project updates to all project team members.
Change Management	Implementing the Transaction System will depend on many key tasks that must be completed in a specific order to ensure complete and accurate implementation. Should these critical tasks slip, overall changes to the implementation timeline will be managed and communicated by the Blackboard Consultant.
Project Closure	The Blackboard Consultant will provide the campus with a final project report which will summarize the project efforts and the resulting implemented system.

Estimate

This section describes the assumptions for the estimate and provides the estimate of number of days and/or hourly costs. Costs are broken down into two categories – labor associated with the activities as shown above and reimbursable travel and expenses.

Basis of Estimate

The total cost should be considered a budgetary estimate. Changes to scope, resources and timeline may impact this estimate. Billing will reflect total number of days and/or hours that services are performed by each Blackboard Consultant and their daily and/or hourly billable rates. This discussion should occur prior to Customer signing a Professional Services Agreement, in order to ensure that Customer's Statement of Work accurately reflects the activities in which Blackboard will be engaged.

Project Costs

The following table calls out the number of days and hours per Blackboard Consultant resource that Blackboard estimates will be required to successfully implement the scope of activities delineated above.

Task	Total Hours	Total Amount
Blackboard Consultant	40	\$7000
Estimated Travel Expenses (1 visit) – Reimbursement will be in accordance with PSA	N/A	\$2000

BLACKBOARD WILL NOT CHARGE CUSTOMER FOR TRAVELTIME TO AND FROM CUSTOMER'S SITE.

Payment

Customer shall pay Blackboard the professional services fees within thirty (30) days of the date of an invoice from Blackboard. All fees are payable in U.S. dollars and shall be sent to the attention of Blackboard's Accounts Receivable Department. Payments shall be sent to Blackboard Inc. as specified in the invoice.

Project Guidelines**General**

The following guidelines enable clear communication and sensible risk management.

- Blackboard staff work on a time & materials basis.
- Each project has a Blackboard project manager responsible for fulfilling the terms and conditions of the professional services agreement, financial tracking, and project communication.
- Account Manager provides continuity of contact with Blackboard for general questions, concerns or information across the various departments at Blackboard.
- Blackboard's Product Support help desk provides support and maintenance dictated by the Product Support and Maintenance Agreement.
- This SOW covers the implementation activities described above. Maintenance of the customized solution is not addressed in this document.

Customer Responsibilities

The following requirements associated with this service must be met. The Customer must provide an appropriate Campus Project Manager for the coordination of campus-related resources. The Campus Project Manager will need to provide ongoing coordination of campus resources so that they meet the project timelines outlined in the project plan. Blackboard and Campus Project Managers will regularly communicate with each other and together they will manage the project and necessary timeline adjustments.

Assumptions

The activities and estimates called out in this SOW are subject to certain assumptions presented below. In addition, this project is subject to certain risks that could negatively affect the project's outcome and determine whether the project is completed within scope, on time and within budget.

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Grand Rapids Community College

- A single Customer project manager will determine the scope of work, project requirements, quality control measures, and the project budget and schedule. This Customer project manager authorizes the Blackboard project manager to perform work within the guidelines of the Statement of Work in the Professional Services Agreement.
- To the extent possible, the Customer team will be an integral part of the process and will participate in the development, testing and quality assurance of the solution being implemented.
- The Customer will provide all network and systems configuration information and systems access, as required for the proper integration with Blackboard Transaction System.

Risks

- The Customer project manager is not available on a day-to-day basis to make critical project decisions that are required to allow the work to progress.
- The Customer project manager is not authorized to make critical project decisions.
- The Customer project manager is not authorized to approve expenditure of funds in accordance with the Professional Service Agreement Statement of Work.
- The Customer team is not able or willing to participate in the process as is required to meet budgetary and schedule limitations.


After the Agreement is Signed

Once the Customer has signed the Professional Services Agreement with an associated Statement of Work, the project can begin. The following steps typically occur.

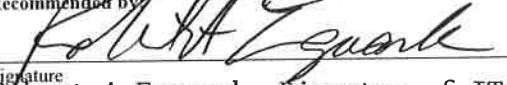
- A Blackboard project manager is assigned.
- The Blackboard project manager contacts the Customer to schedule a Kick-Off teleconference meeting. This call will include the Blackboard project manager and key members of the Customer project team. During this call, the SOW will be reviewed and preliminary project planning will begin.
- Detailed planning is critical to the success of the project. For this reason, full participation in the Project Kick-Off meeting is required. The Blackboard project manager will provide information concerning the meeting and necessary attendees, prior to the meeting.
- The project is typically kicked-off with a full (Blackboard and Customer) team meeting at the Customer's site, during which a detailed requirements analysis is performed.

IN WITNESS WHEREOF, the parties hereto have executed these Master Terms as of the date first written above.

BLACKBOARD

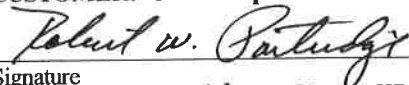

Signature Teresa Frazier
Print Name and Title Senior Director, Contracts
Date: 12/19/03

CUSTOMER: Grand Rapids Community College
Recommended by:


Signature Robert A Engmark, Director of IT
Print Name and Title 12/19/03

Date:

CUSTOMER: Grand Rapids Community College


Signature Robert W Partridge, Exec VP of Financial
Print Name and Title Services

**EXHIBIT C TO
BLACKBOARD PROFESSIONAL SERVICES AGREEMENT**

STATEMENT OF WORK

HARDWARE INSTALLATION AND TRAINING

This Initial Work Statement is a preliminary expectation of both Blackboard and **Grand Rapids Community College** of the services that may need to be performed. As such it may be modified by a writing approved by the designated project managers of each Blackboard and Customer. The work described below is intended to be performed on a time and materials basis, and any limitation of or cap on the costs or fees must be the subject of an amendment executed by the authorized officers of each Party.

Title	Hourly Billing Rate
Technical Implementation Specialist	\$175

Introduction

Blackboard Transaction System offers a reliable and sophisticated application for powering student commerce and access transactions including e-Debit processing, Web deposits and more. Blackboard partners with each customer to define and achieve an integrated solution. Blackboard's experienced consultants use their depth of experience to provide valuable project management and technical leadership to ensure the success of each project.

This document briefly describes Blackboard's understanding of Customer's project objectives, and their associated activities and costs. Once accepted, the contents of this SOW will form the basis of a Statement of Work (SOW), which is an attachment to a Professional Services Agreement between Blackboard and Customer. The Professional Services Agreement will legally control the delivery of services.

The project schedule, level of effort and associated costs specified in this document are estimates only. Unforeseen or requested changes in requirements, technology, scheduling and resources may cause these to change. Additionally, the schedule for this project will be reassessed after the Professional Services Agreement has been executed. While the pricing of this estimate is valid for thirty (30) days, the schedule is wholly dependent upon the date on which the contract is signed. Any delays in executing this agreement will impact the timeframe in which the project is implemented.

Project Definition

Installation Training and Assistance will provide Customers with a Technical Implementation Specialist (TIS) on-site to train Customer's site personnel to connect a minimum of one of each Blackboard Transaction System device, peripheral and /register purchased and on Customer's site. The Customer will be responsible for completing all wiring, power and construction prior to Installation Training and Assistance commencement.

Project Objective

The project objective is to provide Customers with training in order to complete reader/register installation independently. This service is required for Customers that are involved in a new Blackboard Transaction System implementation, and is also offered for Customers that are expanding their Blackboard Transaction System with additional readers/registers or modules.

**Scope of Work
Blackboard Technical Solutions Activities**

The following table highlights the services offered as Installation Training and Assistance. These activities are further defined by a description of the tasks that make up each activity. This SOW assumes active participation on the behalf of Customer's site personnel.

Activity	Description of Associated Tasks
Installation Assistance	Blackboard Technical Implementation Specialist (TIS) will train Customer's site personnel to connect a minimum of one of each Blackboard approved device and reader/register purchased and on Customer's site. TIS will connect low voltage communication circuits, specifically devices requiring less than 60 volts.

Estimate

This section describes the assumptions for the estimate and provides the estimate of number of days and/or hourly costs. Costs are broken down into two categories – labor associated with the activities as shown above and reimbursable travel and expenses.

Basis of Estimate

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Grand Rapids Community College

The total cost should be considered a budgetary estimate. Changes to scope, resources and timeline may impact this estimate. Billing will reflect total number of days and/or hours that services are performed by each Blackboard TIS and their daily and/or hourly billable rates. This discussion should occur prior to Customer signing a Professional Services Agreement, in order to ensure that Customer's Statement of Work accurately reflects the activities in which Blackboard will be engaged.

Project Costs

The following table calls out the number of days and hours per Blackboard TIS resource that Blackboard estimates will be required to successfully implement the scope of activities delineated above.

Task	Total On-site Hours	Total Amount
Blackboard Consultant	40	\$7000
Estimated Travel Expenses (2 visits) – Reimbursement will be in accordance with PSA	N/A	\$4000

BLACKBOARD WILL NOT CHARGE CUSTOMER FOR TRAVELTIME TO AND FROM CUSTOMER'S SITE.

Payment

Customer shall pay Blackboard the professional services fees within thirty (30) days of the date of an invoice from Blackboard. All fees are payable in U.S. dollars and shall be sent to the attention of Blackboard's Accounts Receivable Department. Payments shall be sent to Blackboard Inc. as specified in the invoice.

Project Guidelines

General

The following guidelines enable clear communication and sensible risk management.

- Blackboard staff work on a time & materials basis.
- Each project has a Blackboard project manager responsible for fulfilling the terms and conditions of the professional services agreement, financial tracking, and project communication.
- Account Manager provides continuity of contact with Blackboard for general questions, concerns or information across the various departments at Blackboard.
- Blackboard's Product Support help desk provides support and maintenance dictated by the Product Support and Maintenance Agreement.
- This SOW covers the implementation activities described above. Maintenance of the customized solution is not addressed in this document.

Customer Responsibilities

There are several requirements associated with this service that must be completed before the TIS will travel to the Customer site.

Requirements for offering and purchasing Installation Assistance are as follows:

For existing Blackboard Transaction System Customers:

- Site Survey will be conducted for a duration of 1 to 2 days, depending on the scope of work and size of site
- Minimum of 1 of each type of reader, register, device, and peripheral purchased and on Customer's site will be activated
- Laundry/Vending/Copy Reader vendors will be made available as needed

For new Blackboard Transaction System installations:

- Site Survey will be one of the initial steps in the Blackboard Transaction System implementation, and will allow for a thorough site Tour
- Minimum of 1 of each type of , register, device and peripheral purchased and on Customer's site will be activated
- Laundry/Vending/Copy Reader vendor personnel will be made available as needed
- If Security readers are included, all Customer doors must be evaluated

The Customer will be responsible for installation preparation, including communication devices (except line drivers, fiber drivers and IP Converters), pulling cable from converter box to readers/registers, and wiring from security monitor devices to input/output points. It is also

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

necessary for any construction to be completed, including, but not limited to, parking stanchions, mounting Hoffman boxes, drilling holes for security reader card swipes, and mounting the VTS on a wall or in a kiosk.

Assumptions

The activities and estimates called out in this SOW are subject to certain assumptions presented below. In addition, this project is subject to certain risks that could negatively affect the project's outcome and determine whether the project is completed within scope, on time and within budget.

- A single Customer project manager will determine the scope of work, project requirements, quality control measures, and the project budget and schedule. This Customer project manager authorizes the Blackboard project manager to perform work within the guidelines of the Statement of Work in the Professional Services Agreement.
- To the extent possible, the Customer team will be an integral part of the process and will participate in the development, testing and quality assurance of the solution being implemented.
- The Customer will provide all network and systems configuration information and systems access, as required for the proper integration with Blackboard Transaction System.

Risks

- The Customer project manager is not available on a day-to-day basis to make critical project decisions that are required to allow the work to progress.
- The Customer project manager is not authorized to make critical project decisions.
- The Customer project manager is not authorized to approve expenditure of funds in accordance with the Professional Service Agreement Statement of Work.
- The Customer team is not able or willing to participate in the process as is required to meet budgetary and schedule limitations.

After the Agreement is Signed

Once the Customer has signed the Professional Services Agreement with an associated Statement of Work, the project can begin. The following steps typically occur.

- A Blackboard project manager is assigned.
- The Blackboard project manager contacts the Customer to schedule a Kick-Off teleconference meeting. This call will include the Blackboard project manager and key members of the Customer project team. During this call, the SOW will be reviewed and preliminary project planning will begin.
- Detailed planning is critical to the success of the project. For this reason, full participation in the Project Kick-Off meeting is required. The Blackboard project manager will provide information concerning the meeting and necessary attendees, prior to the meeting.
- The project is typically kicked-off with a full (Blackboard and Customer) team meeting at the Customer's site, during which a detailed requirements analysis is performed.

IN WITNESS WHEREOF, the parties hereto have executed these Master Terms as of the date first written above.

BLACKBOARD

Signature

Print Name and Title

Date:



Teresa Frazier

Senior Director, Contracts

12/19/03

CUSTOMER: Grand Rapids Community College

Recommended by:

Signature

Robert A Engmark, Director of IT

Print Name and Title

12/19/03

Date:

CUSTOMER: Grand Rapids Community College

Signature

Robert W Partridge, Exec VP of Financial

Print Name and Title

Services

**EXHIBIT D TO
BLACKBOARD PROFESSIONAL SERVICES AGREEMENT**

STATEMENT OF WORK

ON-SITE TRAINING SERVICES

This Initial Work Statement is a preliminary expectation of both Blackboard and **Grand Rapids Community College** of the services that may need to be performed. As such it may be modified by a writing approved by the designated project managers of each Blackboard and Customer. The work described below is intended to be performed on a time and materials basis, and any limitation of or cap on the costs or fees must be the subject of an amendment executed by the authorized officers of each Party.

Title	Hourly Billing Rate	Hourly Remote Billing Rate	Daily Rate-Per Class
Blackboard Consultant	N/A	N/A	\$1,800

Introduction

Blackboard Transaction System offers a reliable and sophisticated application for powering student commerce and access transactions including e-Debit processing, Web deposits and more. Blackboard partners with each Customer to define and achieve an integrated solution. Blackboard's experienced consultants use their depth of experience to provide valuable project management and technical leadership to ensure the success of each project.

This document briefly describes Blackboard's understanding of Customer's project objectives, and their associated activities and costs. Once accepted, the contents of this SOW will form the basis of a Statement of Work (SOW), which is an attachment to a Professional Services Agreement between Blackboard and Customer. The Professional Services Agreement will legally control the delivery of services.

The project schedule, level of effort and associated costs specified in this document are estimates only. **Unforeseen or requested changes in requirements, technology, scheduling and resources may cause these to change.** Additionally, the schedule for this project will be reassessed after the Professional Services Agreement has been executed. While the pricing of this estimate is valid for thirty (30) days, the schedule is wholly dependent upon the date on which the contract is signed. Any delays in executing this agreement will impact the timeframe in which the project is implemented.

Project Definition

On-Site Training Services will provide the details needed to successfully prepare Customer's site for usage of the Blackboard Transaction System. Blackboard will provide customized software and/or hardware training to meet the needs of your Site.

Project Objective

The project objective is to provide information to Customer's site to effectively utilize the benefits and services provided by the Blackboard Transaction System.

Scope of Work

Blackboard Technical Solutions Activities

The following table highlights the services offered during On-Site Training Services. These activities are defined by a description of the tasks that make up each activity. This SOW assumes active participation on the behalf of the Site personnel.

Class	Location	Description
System Set-Up (with Point of Sale) – UNIX Edition	Customer Site	Overview of the system, hardware and software requirements and management. Unix basics, installing POS devices, and working with operating locations. Working with Application and System Administration modules. Setting up meal plans, users, and activities. Managing cardholder information, accounts and actions. Database queries, updates, and
Visual Imaging: Network & Database Management	Customer Site	Overview of Networking to the cardholder database and managing the database in conjunction with the visual imaging system. Overview of field mappings and association.
Visual Imaging: Card Design &	Customer Site	Overview of creating a card design and producing a card.

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Grand Rapids Community College

Class	Location	Description
Production		
Cashier Training	Customer Site	Overview of POS operations

Estimate

This section describes the assumptions for the estimate and provides the estimate of number of days and/or hourly costs. Costs are broken down into two categories – labor associated with the activities as shown above and reimbursable travel and expenses.

Basis of Estimate

The total cost should be considered a budgetary estimate. Changes to scope, resources and timeline may impact this estimate. Billing will reflect total number of days and/or hours that services are performed by each Blackboard Learning Solutions Consultant/TIS and their daily and/or hourly billable rates. This discussion should occur prior to Customer signing a Professional Services Agreement, in order to ensure that Customer's Statement of Work accurately reflects the activities in which Blackboard will be engaged.

Project Costs

The following table calls out the number of days and hours per Blackboard Learning Solutions Consultant/TIS resource that Blackboard estimates will be required to successfully implement the scope of activities delineated above.

Task	Total On-site Days	Daily On-Site Rate	Total Amount
Blackboard Consultant	4	\$1,800	\$7200
Estimated Travel Expenses (1 visit) –Reimbursement will be in accordance with PSA			\$2,000
TOTAL			\$9,200

BLACKBOARD WILL NOT CHARGE CUSTOMER FOR TRAVELTIME TO AND FROM CUSTOMER'S SITE.

Payment

Customer shall pay Blackboard the professional services fees within thirty (30) days of the date of an invoice from Blackboard. All fees are payable in U.S. dollars and shall be sent to the attention of Blackboard's Accounts Receivable Department. Payments shall be sent to Blackboard as specified on the invoice.

Project Guidelines

General

The following guidelines enable clear communication and sensible risk management.

- Blackboard staff work on a time & materials basis.
- Each project has a Blackboard project manager responsible for fulfilling the terms and conditions of the Professional Services Agreement, financial tracking, and project communication.
- Account Manager provides continuity of contact with Blackboard for general questions, concerns or information across the various departments at Blackboard.
- Blackboard's Product Support help desk provides support and maintenance dictated by the Product Support and Maintenance Agreement.
- This SOW covers the implementation activities described above. Maintenance of the customized solution is not addressed in this document.

Customer Responsibilities

The following requirements associated with this service must be met. The Customer must provide access to the necessary personnel involved in the Blackboard Transaction System. These key people, if applicable, must be available during On-Site Training Services sessions: System Administrator, Communications Maintenance Staff or contractors, Physical Facilities Management, Food Services Manager, Library Contact person and programming staff.

Assumptions

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Grand Rapids Community College

The activities and estimates called out in this SOW are subject to certain assumptions presented below. In addition, this project is subject to certain risks that could negatively affect the project's outcome and determine whether the project is completed within scope, on time and within budget.

- A single Customer project manager will determine the scope of work, project requirements, quality control measures, and the project budget and schedule. This Customer project manager authorizes the Blackboard project manager to perform work within the guidelines of the Statement of Work in the Professional Services Agreement.
- To the extent possible, the Customer team will be an integral part of the process and will participate in the development, testing and quality assurance of the solution being implemented.
- The Customer will provide all network and systems configuration information and systems access, as required for the proper integration with Blackboard Transaction System.

Risks

- The Customer project manager is not available on a day-to-day basis to make critical project decisions that are required to allow the work to progress.
- The Customer project manager is not authorized to make critical project decisions.
- The Customer project manager is not authorized to approve expenditure of funds in accordance with the Professional Service Agreement Statement of Work.
- The Customer team is not able or willing to participate in the process as is required to meet budgetary and schedule limitations.

After the Agreement is Signed

Once the Customer has signed the Professional Services Agreement with an associated Statement of Work, the project can begin. The following steps typically occur.

- A Blackboard project manager is assigned.
- The Blackboard project manager contacts the Customer to schedule a Kick-Off teleconference meeting. This call will include the Blackboard Project Manager and key members of the Customer project team. During this call, the SOW will be reviewed and preliminary project planning will begin.
- Detailed planning is critical to the success of the project. For this reason, full participation in the Project Kick-Off meeting is required. The Blackboard project manager will provide information concerning the meeting and necessary attendees, prior to the meeting.
- The project is typically kicked-off with a full (Blackboard and Customer) team meeting at the Customer's Site, during which a detailed requirements analysis is performed.

IN WITNESS WHEREOF, the parties hereto have executed these Master Terms as of the date first written above.

BLACKBOARD

Signature

Teresa Frazier
Teresa Frazier
Senior Director, Contracts

Date:

12/19/03

CUSTOMER: Grand Rapids Community College
Recommended by:

Signature

Robert A Engmark
Robert A Engmark, Director of IT

Print Name and Title

12/19/03

Date:

CUSTOMER: Grand Rapids Community College

Signature

Robert W. Partridge
Robert W Partridge, Exec VP of Financial Services

Print Name and Title

EXHIBIT E TO
BLACKBOARD PROFESSIONAL SERVICES AGREEMENT

STATEMENT OF WORK

This Work Statement is a preliminary expectation of both Blackboard and Grand Rapids Community College ("Customer" or "GRCC") of the services that may need to be performed. As such it may be modified by a writing approved by the designated project managers of each Blackboard and Customer. The work described below is intended to be performed on a time and materials basis, and any limitation of or cap on the costs or fees must be the subject of an amendment executed by the authorized officers of each Party.

This Statement of Work (SOW) is an attachment to the Professional Services Agreement (PSA) between Blackboard and Customer and is hereby referenced and incorporated into this SOW and will legally control the delivery of services.

1 GRCC's Blackboard Solution

This document briefly describes our understanding of your project objectives, and their associated activities and costs. Once accepted, the contents of this SOW will form the basis of a Statement of Work (SOW), which is an attachment to a Professional Services Agreement between Blackboard and the Grand Rapids Community College (GRCC). The Professional Services Agreement will legally control the delivery of services.

The project schedule, level of effort and associated costs specified in this document are estimates only. Unforeseen or requested changes in requirements, technology, scheduling and resources may cause these to change. Additionally, the schedule for this project will be reassessed after the Professional Services Agreement has been executed. While the pricing of this estimate is valid for 60 days, the schedule is wholly dependent upon the date on which the contract is signed. Any delays in executing this agreement will impact the timeframe in which the project is implemented.

2 Project Definition

During several conversations, and most recently on July 24, 2003, Blackboard and GRCC representatives discussed a customized *Blackboard Learning and Community Portal Systems* implementation. That conversation forms the basis of this SOW and the stated project objectives.

The GRCC is a comprehensive liberal arts institution with undergraduate, graduate and accelerated courses. They are currently using the *Blackboard Learning and Community Portal Systems* as well as PeopleSoft's products.

2.1 Project Objectives

To meet GRCC's objectives, Blackboard will provide the following services:

- Implementation of the *Blackboard Learning and Community Portal Systems* as the primary on-line teaching and learning platform for GRCC.
- Project management and technical leadership to integrate the GRCC PeopleSoft (version 8) system with the *Blackboard Learning and Community Portal Systems* to automate the administrative processes of creating and managing user, course and membership records. The integration includes:
 - o Facilitation of the process to define and document GRCC's data integration business rules and requirements.
 - o Design assistance and consulting support for development of the snapshot data extract queries.
 - o Training on the use of the Blackboard snapshot tools.
- Integration of the *Blackboard Learning and Community Portal Systems* with GRCC's LDAP authentication infrastructure. Users wishing to access the *Blackboard Learning and Community Portal Systems* will submit their login credentials and will be authenticated against the LDAP server instead of the *Blackboard Learning System* database. Users will only need to remember a single username/password combination to access institutional resources, including the *Blackboard Learning and Community Portal Systems*. This saves support costs, as administrators will not have to manage an additional authentication schema. In addition, users not included in the LDAP server may be securely authenticated directly by the *Blackboard Learning System* using a provided failover method.
- Design specification gathering, development and unit testing of a custom Blackboard Building Block to supplement the *Blackboard's Learning System's* native Gradebook. This Building Block will provide the PeopleSoft administrator and the Registrar's Office with an (export) file that contains the mid-term and final grades of the selected Blackboard courses.
- Development of test plans and remote system testing for the integration and customization activities described above. Consulting support for any additional client-conducted tests.
- Development of the Project Final Report at the conclusion of the project to document the deployed system. Concurrent with delivery of the final report, handoff of the system to the Blackboard Support organizations.
- Provide Integration & Customization Support to Spring Arbor on the data integration and authentication solutions developed by Blackboard Global Services after project handoff. Support is provided Monday through Friday from 9 AM to 6 PM EST, with beeper support for after-hours emergencies. Support includes telephone and email support for the following topics:
 - Patches
 - Upgrades
 - Data integration

- Questions on tools
- Troubleshooting
- Authentication
 - Questions on configuration
 - Troubleshooting
- Custom Building Block support

3 Operating Environments

3.1 Production Environment

GRCC currently hosts the *Blackboard Learning and Community Portal Systems* locally on Dell hardware using Red Hat Linux and Oracle 8i. This production environment is not scheduled for immediate change.

3.2 Non Production Test and Development Environment (NPTE)

GRCC must authorize access to all hardware and software necessary for Blackboard's participation in the project. This includes access to a Non-Production Test Environment (NPTE). Licensed clients who are hosting their own application are authorized to make one copy of their Blackboard application for archive, as well as one copy for use as an NPTE.

4 Scope of Work

4.1 Blackboard Global Services Activities

To kick off the project, the assigned Blackboard Project Manager and Technical Lead will conduct a three-day, on-site working session with the GRCC team. This session maximizes the success of your project and ensures that all necessary tasks are defined, assigned, planned, and executed rapidly and efficiently.

Throughout this project, Blackboard and GRCC will work together to ensure a robust integration as well as proper knowledge share.

The following table highlights the major technical and consultative activities required to achieve the objectives stated previously. These activities are further defined by a description of the tasks that make up each activity. This SOW assumes active participation on the behalf of the GRCC team, but Blackboard Global Services consultants will lead the activities listed below.

Activity	Description of Associated Tasks
Technical Project Management	Project planning, communication, coordination of resources; prioritization and scheduling of project tasks, reporting and documentation. This is an ongoing task for the duration of the project.
On-Site Project Implementation Engagement	Working session with GRCC team to clarify scope, define responsibilities, establish high-level requirements for all areas and identify project plan tasks. Activities also include: <ul style="list-style-type: none"> • Development of the baseline project plan and schedule • Detailed data planning and mapping of existing administrative data into the Blackboard Learning System for snapshot data integration • Initial development and testing of snapshot data file extracts • Training on the integration tools A three-day engagement is assumed.
Snapshot Data Integration	Documentation of the snapshot data integration specifications, consulting assistance for creation of the snapshot data files, and best practices to configure and implement the Snapshot Controller. ¹
End-User Authentication Integration	Consulting on design and implementation of <i>Blackboard Learning and Community Portal Systems</i> integration with GRCC's LDAP server for end-user authentication and security.

¹ Snapshot Controller: a configurable script that controls the frequency with which the snapshot data file(s) will be loaded into Blackboard. This utility will be provided and configured by Blackboard Global Services, in cooperation with GRCC.

Activity	Description of Associated Tasks
Gradebook Extract	Design specification gathering, development and unit testing of a custom Blackboard Building Block to supplement the <i>Blackboard Learning System's</i> native Gradebook. This Building Block will provide the PeopleSoft (v 8) administrator and the Registrar's Office with a file that contains the mid-term and final grades of the selected Blackboard courses.
System Testing	Development and documentation of systems test plans for development work done by Blackboard and off-site test execution. Consulting support to GRCC on their execution of any additional tests.
Deployment	Planning and executing the production deployment of the integrated and customized Blackboard platform. Includes development of the Project Final Report and handoff to support.
Integration & Customization Support	Support of the data integration and authentication solutions developed by Blackboard Global Services.

4.2 Project Documentation

Documentation is an important aspect of every project. As such, Blackboard will provide the following documents during the implementation process:

- Project Plan/Task Schedule
- Data Planning Workbook
- Snapshot Data Integration Specifications
- End User Authentication Specifications
- Gradebook Extract Specifications (DTD)
- User Interface Customization Guide
- System Test Plans
- System Test Report
- Final Project Report

4.3 Basis of Estimate

Blackboard's experience in project management, software customization and systems integration forms the basis of this estimate. The total cost should be considered a budgetary estimate. Changes to scope, resources and timeline may impact this estimate. Billing will reflect total hours performed by each consultant and their associated bill rate. The activity details will be described in monthly status reports. Additionally, each activity and associated cost is in many ways dependent upon the scope of the other related activities. For this reason, activities are not available a la carte. If you have specific questions or other concerns about this SOW, please contact your SOW manager prior to your signing a Professional Services Agreement, in order to ensure that your Statement of Work accurately reflects the activities in which Blackboard will be engaged.

5 Proposed Costs and Estimates

5.1 Technical Solutions

The following table shows the number of hours that we estimate Global Service consultants will be required to work to successfully implement the scope of the project. The estimate is calculated using a blended rate of \$200 per hour. This represents an average based on the consultants likely to perform the work. The amount charged will be determined by the billable rate of the consultants assigned.

Task	Estimated Hours	Estimated Amount
Technical Project Management	28.00	\$ 5,600.00
On-Site Project Implementation Engagement	48.00	\$ 9,600.00
Snapshot Data Integration	16.00	\$ 3,200.00
End-User Authentication Integration	8.00	\$ 1,600.00
Grade Book Extract	20.00	\$ 4,000.00
System Testing	40.00	\$ 8,000.00
Deployment	18.00	\$ 3,600.00
Total Cost Estimate for Technical Solutions	178.00	\$ 35,600.00

As an incentive for signing both this Blackboard Learning System integration Statement of Work and the Blackboard Transaction System

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

purchase agreement by December 24, 2003, Global Services consulting will be provided to GRCC at a fixed rate of \$175 per consultant-hour. This rate is only valid for the scope of work defined in this agreement. Billing will reflect actual hours of work performed by each consultant and will be charged at the rate of \$175 per hour per person.

Task	Estimated Hours	Estimated Amount
Revised Total Estimate at \$175 per hour rate	178.00	\$ 31,150.00

5.2 Integration and Customization Support

Integration and Customization Support	Amount
Annual Cost ²	\$7,500.00
Total Cost Estimate for Support	\$7,500.00

5.3 Travel Costs

The following costs are projected based on travel to and from GRCC's site. In addition to expenses associated with travel, Blackboard Global Services also charges our standard hourly rates for all travel time in excess of 5.0 hours per outgoing and return journey. GRCC authorizes all travel. Blackboard will make every effort to minimize travel costs to GRCC and still meet client requirements. Again, the following table is based on projected travel.

- All costs are per person, estimated in US dollars.
- Blackboard participants of the anticipated trips will include the Blackboard Global Services Project Manager and the Technical Lead.
- Per person expenses include lodging, ground transportation, meals, and incidentals.
- Travel Time costs as stated above are included in the project cost estimates. These travel time costs are limited to 8 hours each way

Trip Description	Number of Participants	Number of days	Transportation Costs	Expenses	Total Amount
On-Site Project Implementation Engagement	2	3	\$ 1000.00	\$ 1,800.00	\$ 2,800.00
			\$ 1000.00	\$ 1,800.00	\$ 2,800.00

6 Project Guidelines

6.1 Guidelines

The following guidelines enable clear communication and sensible risk management.

1. Blackboard Global Services Project Manager and Technical Consultants work on a time and materials basis. Training Consultants work on a fractional-day basis.
2. Each project has a Blackboard Project Manager responsible for fulfilling the terms and conditions of the professional services agreement, financial tracking, and project communication.
3. Account managers provide continuity of contact with Blackboard for general questions, concerns, or information across the various departments at Blackboard.
4. Blackboard's Product Support help desk provides support and maintenance dictated by the Product Support and Maintenance Agreement.
5. This SOW covers the implementation activities as described.
6. Unless otherwise mutually agreed, GRCC receives invoices and formal status reports on a monthly basis.

² Integration and Customization Support costs reflect an annual fee, which will be pro-rated for the first year to correspond to the Blackboard annual license renewal.

6.2 GRCC Responsibilities

The GRCC team will be an integral part of the integration process and will participate in the planning, development, and testing of the solution being implemented. Our estimate reflects that completion of the following items will be the responsibility of GRCC.

1. Installation and configuration of the hardware for the NPTE (test and development) environment.
2. Providing all network and systems configuration information, and systems access, as required, for the proper integration with the *Blackboard Learning and Community Portal Systems*, including but not limited to the PeopleSoft system(s).
3. Assigning a project manager to actively lead and coordinate availability of client resources for the *Blackboard Learning and Community Portal Systems* integration.
4. Participation in the analysis, design and development of snapshot data files used to transfer data from GRCC's PeopleSoft system to the *Blackboard Learning System* database. Snapshots are character-delimited flat files or IMS-compliant XML containing vital course and user data extracted by Blackboard-developed scripts and procedures.
5. User Interface customization through the *Blackboard Learning and Community Portal Systems'* GUI(s)

6.3 Assumptions

The activities and estimates called out in this SOW are subject to certain assumptions presented below.

1. A single client project manager will determine the scope of work, project requirements, quality control measures, and the project budget and schedule. This client project manager authorizes the Blackboard Global Services project manager to perform work within the guidelines of the Statement of Work in the Professional Services Agreement.
2. To the extent possible, the GRCC team will be an integral part of the integration process and will participate in the definition and design of the solutions being implemented.
3. GRCC will provide all network and systems configuration information and systems access, as required for the proper integration with the *Blackboard Learning and Community Portal Systems*, including but not limited to the PeopleSoft system(s).
4. GRCC will provide a test and development environment, in addition to the production system, to test and evaluate product updates and upgrades. This environment will be made available to Blackboard Global Services for dedicated test and development of the GRCC integration project.

6.4 Risks

This project is subject to certain risks, if GRCC is unable to meet the conditions presented below. These risks could negatively affect whether the project is completed within scope, on time and within budget.

1. The GRCC project manager must be available on a day-to-day basis to make critical project decisions that are required to allow the work to progress.
2. The GRCC project manager must be authorized to approve expenditure of funds in accordance with the Professional Service Agreement Statement of Work.
3. The GRCC team must be available to participate in the integration process as is required to meet budgetary and schedule limitations.
4. Clients must recognize that applying patches, updates and upgrades without first testing them in a client-based test environment will place the entire e-learning platform at risk of an undetermined period of downtime.
5. The quality of access by Blackboard Global Services into GRCC's environments could impact the project cost and timelines.

7 After the Agreement is Signed

Once GRCC has signed the professional services agreement with an associated statement of work, the project can begin. The following steps typically occur.

1. A Blackboard Global Services project manager is assigned.
2. The Account Manager (AM) contacts GRCC to schedule a Project Planning teleconference. This call will include the Blackboard Project manager and the AM and key members of the combined Blackboard and Client Project Team. During this call, the SOW will be reviewed and preliminary project planning will begin.
3. Detailed planning is critical to the success of the project. For this reason, full participation in the on-site Project Planning engagement is required. The Blackboard Project Manager will provide information concerning the meeting and necessary attendees, prior to the meeting.

IN WITNESS WHEREOF, the parties hereto have executed these Master Terms as of the date first written above.

VOID IF EXECUTED AFTER December 30, 2003

Grand Rapids Community College

BLACKBOARD

Signature

Teresa Frazier
Teresa Frazier

Print Name and Title

Senior Director, Contracts

Date:

12/19/03

CUSTOMER: Grand Rapids Community College

Recommended by:

Signature

Robert A Engmark
Robert A Engmark, Director of IT

Print Name and Title

12/19/03

Date:

CUSTOMER: Grand Rapids Community College

Signature

Robert W. Partridge
Robert W Partridge, Exec VP Of Financial Services

Print Name and Title

Services

AMENDMENT ONE

**To Software Schedule dated May 22, 2002 between BLACKBOARD INC.
AND Grand Rapids Community College.**

This Amendment to the Software License Agreement dated May 22, 2002 ("Agreement") between Blackboard, Inc. ("Blackboard") and **Grand Rapids Community College** ("Licensee") is made as of Oct 01, 2002.

The parties hereby agree to the following terms regarding the use of the Blackboard Software by Licensee:

1. The Initial Term, May 22, 2002 through September 30, 2002, as listed in Site; Schedule of Fees shall be extended an additional nine (9) months ending on June 29, 2003.

1. Section 6, Term, the second sentence shall be replaced with the following:

Unless earlier terminated as provided in the Master Terms, this Software Schedule shall be extended for a period of nine (9) months ("Extension Term"), beginning September 30, 2002 thru June 29, 2003.

IN WITNESS WHEREOF, the parties hereto have executed this Schedule as of the date first written above.

BLACKBOARD

Signature

Print Name and Title

Date:

CUSTOMER

Grand Rapids Community College



Signature

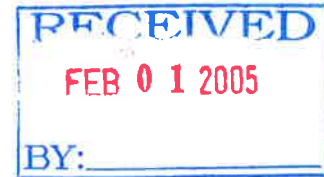
Robert A. Engmark - Exec. Dir. I.T.

Print Name and Title

Oct 24, 2002

Date:

Customer: Grand Rapids Community College

**Blackboard****AMENDMENT**

**TO THE GRAND RAPIDS COMMUNITY COLLEGE BLACKBOARD SOFTWARE SCHEDULE TS-1
AGREEMENT DATED DECEMBER 19, 2003 BETWEEN BLACKBOARD INC. AND GRAND RAPIDS
COMMUNITY COLLEGE**

This Amendment to the Software Schedule TS-1 Dated December 19, 2003 ("Schedule") between Blackboard, Inc. ("Blackboard") and Grand Rapids Community College ("Customer") is made as of _____, 2004.

The purpose of this amendment is to modify the existing Schedule of Fees to include the Blackboard Building Blocks Transaction Integration Agent to Interface with Follett Bookstore.

The parties hereby agree to the following terms and conditions:



I, _____ Section SCHEDULE OF FEES is hereby modified to include the following:

SITE; SCHEDULE OF LICENSE FEES

Software	Level of Support	Initial Term Fees (USD)
Blackboard Building Blocks Transaction Integration Agent <3 to Interface with Follett	Basic-included in Initial Term	\$2,700
Total Fees Due:		\$2,700

ALL OTHER TERMS AND CONDITIONS REMAIN IN FULL FORCE AND EFFECT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CUSTOMER:	<u>Grand Rapids Community College</u>	BLACKBOARD	_____
By (Signature):		By (Signature):	_____
Name (Printed):	<u>Bob Partridge</u>	Name (Printed):	_____
Title:	<u>VP of Financial Services</u>	Title:	_____
Date:	<u>12-14-2004</u>	Date:	_____
Recommended:			
By (Signature):			
Name (Printed):	<u>Robert A Engmark</u>		
Title:	<u>Executive Director, I.T.</u>		
Date:	<u>December 14, 2005</u>		