

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

ADDENDUM TO HOOPLA SERVICE AGREEMENT

THIS ADDENDUM is entered into by and between Fort Bend County, (hereinafter "County"), a body corporate and politic under the laws of the State of Texas, and Midwest Tape, LLC, (hereinafter "Contractor"), a company authorized to conduct business in the State of Texas.

THAT, WHEREAS, the parties have executed and accepted that certain Service Agreement for provision of digital content, software applications, technology services and hosted websites services, (hereinafter the "Agreement"), attached hereto as Exhibit "A" and incorporated by reference; and

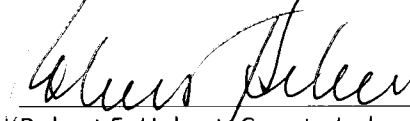
WHEREAS, the following changes are incorporated as if a part of the Agreement:

1. **Payment.** An initial advance payment shall be made by County to Contractor as a one-time, fully-recoupable, advance/down payment as specified in the Agreement.
2. **Term.** The term of the Agreement shall be for two (2) years from the date of execution of the last party hereto. The Agreement shall not automatically renew.
3. **Limit of Appropriation.**
 - A. County shall remit to Contractor the Advance in the amount of seventy-five thousand dollars and no/100 (\$75,000.00) in accordance with the Agreement.
 - B. Contractor clearly understands and agrees, such understanding and agreement being of the absolute essence of this Agreement, that County shall have available the total maximum sum of one hundred fifty thousand dollars and no/100 (\$150,000.00), specifically allocated to fully discharge any and all liabilities County can incur under the initial two (2) year term of the Agreement. Contractor does further understand and agree, said understanding and agreement also being of the absolute essence of this Agreement, that the total maximum sum that County may become liable to pay to Contractor shall not under any conditions, circumstances, or interpretations thereof exceed one hundred fifty thousand dollars and no/100 (\$150,000.00) per the initial two (2) year term of the Agreement.
 - C. County acknowledges that through the Digital Media Library Website, the County has budget controls that will enable County to manage its financial liability under the Agreement and avoid exceeding the total maximum sum payable.

4. **Taxes.** County is a body corporate and politic under the laws of the State of Texas and claims exemption from sales and use taxes. A copy of a tax-exempt certificate will be furnished upon request.
5. **Confidential Information.** Contractor expressly acknowledges that County is subject to the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 *et seq.*, as amended, and notwithstanding any provision in the Agreement to the contrary, County will make any information related to the Agreement, or otherwise, available to third parties in accordance with the Texas Public Information Act. Any proprietary or confidential information marked as such provided to County by Contractor shall not be disclosed to any third party, except as directed by the Texas Attorney General in response to a request for such under the Texas Public Information Act, which provides for notice to the owner of such marked information and the opportunity for the owner of such information to notify the Attorney General of the reasons why such information should not be disclosed. The terms and conditions of the Agreement are not proprietary or confidential information.
6. **Indemnity.** The parties agree that under the Constitution and laws of the State of Texas, County cannot enter into an agreement whereby County agrees to indemnify or hold harmless another party; therefore, all references of any kind to County defending, indemnifying, holding or saving harmless Contractor for any reason are hereby deleted.
7. **Arbitration.** County does not agree to submit disputes arising out of the Agreement to binding arbitration. Therefore, any references to binding arbitration or the waiver of a right to litigate a dispute are hereby deleted.
8. **Applicable Law.** Nothing in the Agreement shall be construed to waive the County's sovereign immunity.

Except as provided herein, all terms and conditions of the Agreement shall remain unchanged.

FORT BEND COUNTY



Robert E. Hebert, County Judge

11-18-14

Date

ATTEST:



Dianne Wilson, County Clerk

Midwest Tape, LLC



Authorized Agent- Signature

Susan Casco

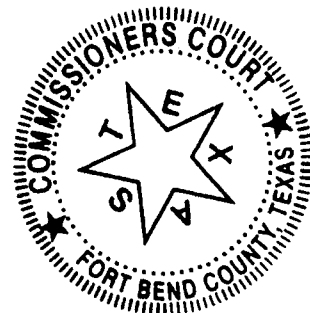
Authorized Agent- Printed Name

General Manager

Title

10/27/14

Date



AUDITOR'S CERTIFICATE

I hereby certify that funds in the amount of **\$150,000.00** are available to pay the obligation of Fort Bend County within the foregoing Agreement.

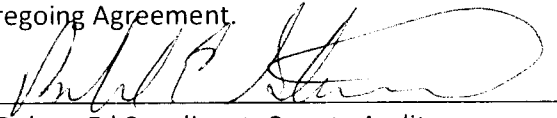

Robert Ed Sturdivant, County Auditor

EXHIBIT A



Hoopla™ Service Agreement

This Hoopla™ Service Agreement is made as of this ____ day of _____, 201__ ("Effective Date") by and between _____ ("Library"), and Midwest Tape, LLC ("Midwest Tape") (Library and Midwest Tape are, collectively, the "Parties"). In consideration of the promises and mutual covenants contained in this Service Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows;

Midwest Tape, LLC and its affiliates (Hoopla) provides digital content, software applications, technology services and hosted websites to third parties. By enrolling in our Service Agreement, libraries will obtain access to our Digital Media Platform, Hoopla™. Hoopla™, enables libraries to offer their patrons the ability to access video, music and audiobook content digitally from either their mobile devices such as smartphones and tablets and/or via any browser. Other types of content may be added at any time. Libraries will be notified of all new content types. Library patrons will have access to all content made available by their library at all times and will be able to borrow content based on settings established by the library system of which they are a member.

I. DEFINITIONS. The following definitions apply wherever those terms appear in this Agreement:

"Digital Content Titles" means audiovisual works that Midwest Tape provides within the Digital Media Platform, to Library under this Service Agreement.

"Digital Media Application (App)" means a computer program maintained and owned by Midwest Tape used to provide Patrons access to browse, borrow, and/or return Digital Content Titles from, and/or access, the Digital Media Platform through mobile devices and/or web services.

"Digital Media Platform" (Hoopla™) means a computer program maintained and owned by Midwest Tape, which in this Agreement includes the Digital Media Application, the Hoopla™ Library Website, the Hoopla™ Patron Website, and the Digital Content Titles, all of which are known as the "the Service" which is used to provide (i) the Digital Content Titles to Library and their Patrons, respectively, and (ii) various applications for Library to use to assemble and manage its collection of Digital Content Titles, and to facilitate, manage, and track its Patrons' use in the Digital Media Application as defined above.

"Distribution Partners" means any third party that provides services for Midwest Tape or enter into agreements with Midwest Tape, in connection with Hoopla™.

"Hoopla™ Library Website" means a Midwest Tape hosted website, within Hoopla™, to be used by Library to manage content available to Patrons in the Digital Media Platform, and administer Library policies with regards to the "the Service".

"Hoopla™ Patron Website" means a Midwest Tape hosted website, within Hoopla™, to be used by Patrons to browse and/or borrow Digital Content Titles from "the Service".

"Intellectual Property Rights" means all rights in and to patents, trademarks, service marks, trade names, copyrights, trade secrets, technology, software, designs, algorithms, know-how, as well as moral rights and all other intellectual and proprietary rights of any type under the laws of any governmental authority.



"Invoice Period" means the period beginning on Saturday and ending on Friday, recorded in UTC time, where "circulations" (purchases by Library) have occurred.

"Library Website" means a website owned and maintained by Library.

"Marks" means any trademarks, service marks, trade names, logos, designs, icons, characters, cover art, styles, and trade dress associated with any Digital Content Titles, including without limitation all translations or transliterations of the foregoing in any language, or any colorable imitations or modified versions thereof.

"Metadata" means, with respect to each Digital Content Title (i) the title; (ii) producers and/or studios; (iii) the suggested retail price for a Digital Content Title as determined by the relevant Vendor; (iv) if commercially used, the digital object identifiers for each Digital Content Title; (v) geographical rights restrictions, if any; (vi) short descriptions; (vii) cover art and image, graphics, and other images from the Digital Content Titles; (viii) discount class of each Digital Content Title; and (ix) any such other information provided by Vendors or Midwest Tape.

"Vendor" means a supplier to Midwest Tape of (i) Digital Content Title(s) or (ii) any technology or service necessary for Midwest Tape to provide the Digital Content Title(s) to Library via hoopla™.

"Patron" means a person who is authorized by Library to access, use, and connect to hoopla™ to borrow Digital Content Titles.

"Promotional Postings" means, with respect to each Digital Content Title, the cover or associated imagery or artwork, the copyright notice, and the description of the Digital Content Title.

"Territory" means the world (subject to any limitations set forth in the Metadata with respect to particular Digital Content Titles).

Your enrollment in this Service Agreement, allows Midwest Tape to grant your Library the following non-exclusive and non-transferrable rights and by enrolling you acknowledge that you have the full right, power and authority to act on behalf of the library rights and obligations as outlined in this agreement.

II. LIBRARY RIGHTS & OBLIGATIONS

Rights. The right to market, display, and use hoopla™ as provided herein;

Library has the right to allow Patrons to access, view and borrow Digital Content Titles through the hoopla™ Patron Website and/or Digital Media Applications;

Library has the right to use the Metadata, Marks, and Promotional Postings to promote hoopla™, including but not limited to postings on social media websites such as Facebook and Twitter;

Library has the right to use hoopla™ Digital Content Titles, Metadata, Marks and Promotional Postings to develop Library-customized collections and communications for its Patrons.

If any modification made by Midwest Tape pursuant to its Rights and Obligations materially impairs the value of this Agreement to Library, Library may terminate this Agreement.

Limitations.

The Library has no rights or ownership to hoopla™, its Digital Content Titles, Digital Media Platform, hoopla™ Library Website, hoopla™ Patron Website, Digital Media Applications, Marks, Metadata, or Promotional Postings, artwork or other materials delivered by Midwest Tape to Library other than those rights expressly provided in this Agreement.

Library has no right to access, use or reproduce any hoopla™ source code, or to make, sell, or distribute variations or derivative works of the Digital Media Platform.

Library has no public performance rights in the Digital Content Titles. The Library may not offer any Digital Content Titles as a performance in order to entice Patrons, or the general public, to come to an event, sponsored by Library or otherwise, in order to view any Digital Content Title, except as provided by Midwest Tape and designated by Vendor as Demo Content.

Library agrees to the support of intellectual property protection, (including by not limited to copyright and trade marks), which include (i) prohibiting Patrons from engaging in activities that infringe on these rights and (ii) the Library not facilitating activities.

General Obligation. Library must ensure that it utilizes hoopla™ in compliance with the terms of this Agreement and all Appendices.

Sponsorship Obligation. In order for both parties to successfully support the obligations of this Agreement, the Library shall (i) communicate to staff, patrons, and /or general public served, the availability of the Service (ii) provide suitable training opportunities to appropriate staff members (iii) manage all funds appropriated to service (iv) manage the overall service offered (setup configuration) and (v) provide Primary Support to Patrons. Midwest Tape will provide direct support to the Library which will enable the Library to independently and properly operate all of the systems and functions that are available to Library and/or Patrons through hoopla™ as well as assist with support documentation.

Network Connectivity. Library is responsible for providing a suitable network and Internet system for ILS Integration of hoopla™ into the Library Website or other systems.

Expenses and Maintenance.

Library is responsible for all of its own expenses and costs related to its performance under this Service Agreement. Midwest Tape has no obligation to reimburse Library for any expenses or costs incurred by Library related to this Agreement or to the performance of Library's obligations under this Agreement, including but not limited to any such expenses and costs incurred in the preparation, systems integration, or use of the Digital Media Platform, the hoopla™ Library Website, the Digital Media Applications, or the hoopla™ Patron Website.

Library will perform requested linkage between hoopla™ and the Library's Website and reasonable technical services to support and maintain hoopla™ during the term of this Agreement. Library will notify Midwest Tape 72 hours (3 business days), or as reasonably available, before any change in any RSS links, ILS configuration (which may affect hoopla™ including patron authentication), URL updates or changes and/or any other technology modifications that could impact hoopla™ ("the Service") from operating properly.

Management of the hoopla™ Library website.

Library agrees, it alone has sole responsibility for managing and utilizing the hoopla™ Library Website as designed, including but not limited to the following features: establishing, verifying and maintaining system configuration logic, and related financials, circulations, content management, and reporting.

Library Website. Library is solely responsible for all aspects of catalog integration, operation, training, support and/or maintenance necessary for the operation of the Library Website. This may include requiring the expense of obtaining a SIP2 or other similar protocol software license(s) from a third party vendor to support direct integration of hoopla™ with the Library's Integrated Library System (ILS) as well as the cost for customized MARC records it may obtain from a third party supplier such as OCLC. Library shall keep its hoopla™ Account information current with Midwest Tape and alert Midwest Tape of any changes in its operation of the Library Website, including but not limited to changes of personnel, which may impact the support, functionality and/or performance of hoopla™.

Primary Support to Patrons. Library is responsible for providing its Patrons with any and all support, technical aid, help and/or other assistance for Patron's use of hoopla™ (the "Primary Support").

Communication of hoopla™ Service. In addition to the Primary Support above, Library agrees to use innovative ideas and library proven successful methods to promote and communicate "the Service" to its Patrons and/or to the general public served. Library acknowledges and agrees that Midwest Tape, at its own expense, may publicize and communicate hoopla™ to the general public served using various legal means. Midwest Tape agrees to make best faith efforts to collaborate and support the Library's in its communication efforts. Library acknowledges and agrees with the specifications listed in Appendix A of this agreement.

Use of Marks. Library agrees to comply with any requirements communicated by Midwest Tape with respect to the use of Midwest Tape's and Vendor's Marks. Library agrees that the Marks may only be used in connection with hoopla™ and the promotional and marketing materials relating thereto.

No Warranties or Representations by Library. Library represents and agrees that it, nor any of its employees, agents, and/or others under its direction, has not and will not make any representations or create any warranties, expressed or implied, to anyone concerning hoopla™; the Digital Media Platform, the Digital Media Applications, the hoopla™ Library Website, the hoopla™ Patron Website, or the Digital Content Titles.

Compliance with Applicable Laws and Regulations. Library will comply with all applicable laws, ordinances, rules and regulations, at its own expense, that may be required in any jurisdiction or by any administrative agency in connection with the use and/or operations of the Digital Media Platform, the Digital Media Applications, the hoopla™ Library Website, the hoopla™ Patron Website, or the Digital Content Titles.

III. FEES, PAYMENTS & REPORTING

Advance. Library shall remit to Midwest Tape a one-time, fully-recoupable, advance/down payment as specified in Appendix B, to be applied against future purchases as defined in the "per circulation program" below and in accordance with the Term and Termination section of this agreement.

Per Circulation Program. Midwest Tape will invoice Library under this Service Agreement on a per-circulation basis. A "circulation" occurs when a Patron selects borrow in hoopla™ for which the Digital Content Title will be loaned for a specific period of time that is terminated either (i) upon expiration of the established lending period, whether or not the Digital Content Title has been accessed and/or viewed by



Patron, or (ii) when the Patron returns the Digital Content Title before the end of the lending period. The Service provides the Library with unlimited circulation capabilities per licensed copy of Digital Content which then in turn may be provided to an unlimited number of Patrons under this Agreement; but Digital Content may be limited to one (1) borrowed copy per patron.

Invoicing and Payment. Midwest Tape will invoice Library according to the "Invoice Period" for which payment will be applied first from the "Advance". Once, or if the library "Advance", is fully applied to the Library's account before end of term of this Service Agreement, invoice payment terms will then be forty five (45) days from the date of the invoice. If at end of term or termination of this Service Agreement, the Library has money remaining on account from the Advance, Midwest Tape will refund any unencumbered and unapplied monies upon Library's written request.

Reporting. Through the hoopla™ Library Website, Library will have access to reports of circulation activity for the Digital Content Titles loaned by Library.

Taxes. Library is required to provide a sales tax exemption certificate, if applicable, to Midwest Tape as part of the on boarding process. If the library is not exempt, Midwest Tape will add, and collect, sales taxes to any purchases made pursuant to this Agreement.

IV. TERM AND TERMINATION

Term. The term of this Agreement begins on the Effective Date and continues for a period of 24 months thereafter. Upon expiration of the Term, this Agreement will automatically renew for successive renewal periods of 12 months ("Renewal Term") until this Agreement is terminated in accordance with the one of the following:

By Notice. Either Party may terminate this Agreement by providing the other Party with sixty (60) days written notice *any time* with or without cause prior to (i) the end of the Initial Term or (ii) the end of the then-current "Renewal Term".

Due to Breach. Either Party may suspend its performance or, at that Party's sole option, terminate this Agreement, by providing the other Party with ten (10) days written notice in the event of (i) the other Party's material breach of this Agreement, which breach continues uncured for a period of thirty (30) days; or (ii) Library's failure to perform its payment obligations under Section 6 of this Agreement for a period of ten (10) days.

Upon termination of this Agreement, Library must immediately cease distribution and use of hoopla™ the (i) Digital Media Platform; (ii) Digital Content Titles; and (iii) the Marks, and pay Midwest Tape any fees accrued and owing under the Per Circulation Program. Once Library meets these obligations, any unapplied portion of an advance payment will be refunded within 30 days of conditions being met.

V. MIDWEST TAPE RIGHTS & OBLIGATIONS

Midwest Tape will host and support hoopla™ as provide in this Service Agreement and the Service Level Agreement (SLA).

Midwest Tape will provide an implementation specialist to work with the library to install and roll out hoopla™, as well as provide ongoing support in accordance with this Agreement. Midwest Tape will provide the library with access to the hoopla™ Library Website, which offers applicable tools to enable the library to manage the platform which include but not limited to lending policies which include: format

availability; tools for controlling access to parental advisory (music), ratings (movies and television), and individual titles. Other tools include dashboard and export capabilities, invoice copies, support templates/documents, monthly budget controls and reports. The Library Website will also host some of the newest additions, featured content and the most popular titles in the hoopa™, as well as, the latest news regarding the Service.

Ownership Rights of Vendor. Subject to the provisions of this Agreement, Vendors retain all Intellectual Property Rights in and to the Digital Content Titles, Metadata, Marks, and Promotional Postings, artwork or other materials delivered by Midwest Tape to Library hereunder.

Ownership Rights of Midwest Tape. Midwest Tape owns and retains all Intellectual Property Rights in and to hoopa™; the Digital Media Platform, the hoopa™ Library Website, the hoopa™ Patron Website, and the Digital Media Applications and all modifications, updates, or improvements made thereto. Library acknowledges Midwest Tape's ownership of such Intellectual Property Rights.

Modifications to Digital Media Platform. Midwest Tape has the right to modify, at any time, hoopa™; the Digital Media Platform, the hoopa™ Library Website, the Digital Media Applications, or hoopa™ Patron Website (i) as needed to optimize their respective operation, performance, or functionality; or (ii) as required by Vendors or (iii) as recommended by Library or patrons and approved at Midwest Tape's sole discretion.

Modifications to Digital Content Titles. Midwest Tape has the right to take the following actions with respect to any Digital Content Title at any time and for any reason: (i) set or adjust the applicable Per Circulation Fee; (ii) replace the files associated with each Digital Content Title and (iii) edit or modify editorial content and design. Significant modifications to content and the Service's functionality will be made available and provided to the library, at a minimum, in the form of a monthly digital newsletter and/or email.

If any modification above, made by Midwest Tape, materially impairs the value of this Agreement to Library, the Library may terminate this Agreement.

Addition and Removal of Digital Content Titles. As part of this Service, Midwest Tape will continuously update hoopa™ with additional Content. Midwest Tape may also remove Content from hoopa™ at any time and for any reason; including but not limited to Vendor terms and/or notification(s) to remove one or multiple titles. .

Metadata. Midwest Tape will announce and provide, as available, additional Metadata features to the Library in the format supplied to Midwest Tape by the Vendors.

Storage. hoopa™ runs on a cloud-based platform to ensure it can scale to meet changing demands. While our web sites and the Service are publicly accessible, the database that powers the sites and services is deployed in a secure "virtual private cloud", or VPC. The VPC is completely protected from all public access. Amazon Web Services data centers are housed in nondescript facilities throughout North America with restricted access and multiple security controls.

Privacy Policy. Midwest Tape is committed to protecting the privacy, accuracy, and reliability of any personal information provided and to safeguard loss, misuse, unauthorized access, disclosure, and alteration of this information. The only access permitted to the VPC, and thus the database, is from Midwest Tape web sites and services and our hoopa system support staff located throughout North America and Canada. Sensitive data such as passwords are never stored "in the clear" in the database,

but are encrypted in a manner that prevents Midwest Tape and support staff from ever knowing what they are. When a patron registers with hoopla, the patron will enter an email, Library card ID, and a password (some Libraries require a PIN too) which is encrypted as noted above. This information is stored according to the above for purposes of hoopla™ to authenticate with the Library ILS, no additional personal information is stored by Midwest Tape and if received through authentication it used only to verify the patron and then discarded.

Please refer to Midwest Tape's Terms and Conditions and Privacy Policy for more information on how hoopla™ uses and/or shares information that is gathered in the use of this website or hoopla™.

Hyperlinks. Midwest Tape will create the appropriate download links from the Library Website for the secure delivery of Digital Content Titles to Patrons.

Primary Support to Library. Midwest Tape shall provide the Library with primary support for hoopla™ by providing and maintaining help files, informational data and other appropriate documentation and training materials. Midwest Tape will undertake reasonable efforts to assist Library with its obligation to provide Primary Support to Patrons by providing Library with answers to "frequently asked questions" related to hoopla™, regular system updates as they become available and ongoing training for Library staff. Midwest Tape will supply activation support, including assisting with the implementation of any hoopla™ software, and reasonable levels of continuing support to assist the Library in its use of "the Service". Midwest Tape will make its personnel available for feedback, problem-solving, and/or general questions.

Midwest Tape will use reasonable efforts to provide continuous service. Permissible down-time includes periodic unavailability due to maintenance of the server(s), the installation or testing of software, public or private telecommunications services or internet nodes or facilities, failure of equipment or services outside the control of Midwest Tape. Scheduled down-time will be performed at a time to minimize inconvenience to Library and its Patrons.

Technical support services to the Library include: (i) reasonable efforts to identify, correct, and/or circumvent errors in hoopla™; the Digital Media Platform, the Digital Media Applications, the Digital Content Titles, the hoopla™ Library Website and the hoopla™ Patron Website; and (ii) supply updates, enhancements, and new versions of hoopla™ as they become available (the "Secondary Support").

For avoidance of doubt, Midwest Tape has no obligation to provide Primary Support to Patrons. Midwest Tape's sole involvement with respect to Primary Support for Patrons is limited to that provided by Midwest Tape, in its sole discretion.

VI. AGREEMENT PROVISIONS

Indemnities. Each Party ("Indemnifying Party") agrees to defend, indemnify, and hold harmless the other Party from and against any and all third-party claims, demands, suits, legal proceedings, and causes of action that arise out of or relate to any breach by the Indemnifying Party of any of its Representations and Warranties as stated in this Agreement (collectively, "Claims"), including but not limited to all damages, costs, expenses, reasonable attorneys' fees, judgments, and settlements resulting from such Claims provided, however, that no Claim may be settled without the express written consent of the Indemnifying Party. Notwithstanding anything contained herein to the contrary, Midwest Tape acknowledges and agrees that Library can only indemnify Midwest Tape up to the limits of liability provided by their state law.

Indemnity Process. The Party seeking indemnification must provide prompt written notice to the Indemnifying Party of any Claim to which indemnity obligations apply. The Indemnifying Party has the

right, but not the duty, to control the defense and settlement of any Claims with counsel of its choosing. The Party seeking indemnification will cooperate with the Indemnifying Party's defense against the Claims. If any Claim is covered in part but not entirely by a Party's indemnification obligation hereunder, the Indemnifying Party will only be responsible for costs to the extent attributable to the covered portion of the Claims.

DISCLAIMER OF WARRANTIES. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, MIDWEST TAPE MAKES NO WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING ANY GOOD OR SERVICE THAT MAY BE PROVIDED BY MIDWEST TAPE UNDER THIS AGREEMENT. CONTRACTOR WARRANTS THAT SERVICES WILL BE PERFORMED IN A PROFESSIONAL MANNER AND THAT IT WILL USE PROFESSIONAL EFFORTS IN COMPLIANCE WITH INDUSTRY STANDARDS WHEN PROVIDING THE SERVICES.

LIMITATION OF LIABILITY. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, IN NO EVENT, AND REGARDLESS OF THE CAUSE OF ACTION, WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOST BUSINESS OPPORTUNITY, EVEN IF SUCH DAMAGES ARE FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREON.

Confidential Information. "Confidential Information" means any oral, written, graphic or machine-readable information of either Party that is disclosed to the other Party under this Agreement either directly or indirectly, in writing, orally, electronically, or by inspection of tangible objects, and that is designated in writing as "Confidential" at the time of disclosure or within five (5) days thereafter. Confidential Information may include information disclosed to any Party by a third-party on behalf of the other Party and designated as Confidential Information. Confidential information includes, without limitation, business plans, customer information, pricing, contract terms, available content and sales, marketing and/or finances of the disclosing Party.

Parties' Obligations. Confidential Information is the property of the disclosing Party, and the receiving Party will not be deemed by virtue of its access to Confidential Information to have acquired any right or interest in or to any such Confidential Information. Confidential does not affect either Party's right to use or disclose information that is not Confidential Information, including information that is or may hereafter be in the public domain; the receiving Party can show was known to it without any confidentiality obligation prior to the disclosure by the disclosing Party; may be required to be disclosed pursuant to governmental or judicial process, provided that notice of such process is promptly provided to the disclosing Party in order that it may have every opportunity to intercede in such process to contest such disclosure or seek an appropriate protective order.

Assignment. Except as provided herein, neither Party may, by operation of law or otherwise, assign, sublicense, or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other Party, which may not be unreasonably withheld or delayed. Either Party may assign, transfer, or otherwise delegate any or all of its rights and obligations under this Agreement to any successor carrying on that part of the business to which this Agreement relates or to any purchaser of all or substantially all of the assets or stock of such Party. Each Party may appoint contractors to perform part of its obligations hereunder, provided that the Party remains fully responsible for such contractor's performance. This Agreement binds, benefits, and is enforceable by and against both Parties and their respective successors and permitted assigns.



Notices. Notices required by this Agreement must be sent by United States mail, as well as by electronic mail (or by facsimile), directed as follows:

Midwest Tape:
Attn: hoopla™
6950 Hall Street
Holland, Ohio 43528
info@midwesttapes.com
1 (800) 875-2785
Fax: (419) 868-9749

Library: _____

Amendment. No amendment, modification, addendum, or revision to this Agreement is valid unless it is in writing and signed by all Parties to this Agreement, in which event there need be no separate consideration thereof.

Severability. To the extent a provision of this Agreement is deemed by a court to be null and void, the Agreement nonetheless remains in full force and effect with respect to each of the other provisions therein, except to the extent that the Distribution provisions of this Agreement (i.e. Rights, Limitations, Ownership Rights) are declared null and void by a court, in which case the Agreement is voidable by any Party.

Arms-Length Negotiations. This Agreement was negotiated among the Parties at arm's length with each Party receiving advice from independent legal counsel, and has been executed and delivered in good faith. It is the intent of the Parties that no part of this Agreement should be construed against any Party because of the identity of the drafter.

Counterparts. This Agreement may be executed in counterparts, each of which taken together constitutes one single Agreement between the Parties.

Entire Agreement. This Agreement is an integrated Agreement containing the entire understanding between the Parties regarding the subject matter of this Agreement, and, except as set forth in this Agreement, no representations, warranties or promises have been made or relied upon by the Parties. This Agreement prevails over all prior communications or agreements between the Parties or their representatives regarding the subject matter hereof.

Force Majeure. No Party may be considered in default or to have incurred any liability hereunder due to any failure to perform this Agreement should such failure arise out of causes beyond its reasonable control, including, without limitation, work stoppages, fires, riots, accidents, floods, storms, unavailability of utilities or fuel, Internet or other communication failures, or other similar failures or occurrences. The time for performance will be extended for a period equal to the duration of the conditions preventing performance.



IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date first written above.

ACCEPTED AND AGREED

Library: _____

By: _____

Print Name: _____

Title: _____

Date Signed: _____

ACCEPTED AND AGREED

MIDWEST TAPE, LLC

By: _____

Date Signed: _____

Appendix A

Communication of hoopla™

hoopla™ is a patron driven digital service, which makes it unique from other digital services offered by the Library. hoopla™ does not require annual subscription fees or large sums for limited copies of content. Libraries have access to all content, all the time. Our goal is to support the Library by providing a service that allows patrons to easily access content, 24/7, in an affordable and controllable model.

Midwest Tape's is known for providing quality customer service which shall be no different in our hoopla™ service offering. We make it our mission to aim for ideas and development that benefit libraries and support the ongoing objective to stay current in communities as well as enhancing efforts to reach and engage current and new patrons.

hoopla™ provides the Library with a service to easily engage patrons which begins when the Library initiates communications about the availability of "the Service". Following are steps to ensure best faith efforts in communicating "the Service" (some of which the Library may already do as part of standard processes):

- Library agrees to collaborate with Midwest Tape in efforts to reach patrons using innovative ideas and library proven successful methods. Library will make reasonable, ongoing efforts to communicate hoopla™ to its patrons.
- Library agrees to install prominent links and/or reference to popular content on hoopla™ and/or the hoopla™ Patron Website on the Library's Website homepage.
- Library agrees to regularly display, within the Library branches, Midwest Tape-provided communications materials, as made available and/or provide cross reference to content available in "the Service".
- Library agrees to use MARC record data in their catalog to enhance discoverability of key content available in "the Service".
- Library agrees to take all reasonable steps to notify patrons via Newsletters, direct email, and/or Social Media of updates to functionality and content as well as promotion and marketing communication announcements.
- In lieu of (or supplemental to) the above step, Library agrees to allow (and/or provide as is legally permissible) hoopla access to its cardholder patron mailing lists (electronic/print) for the following types of relationship-building campaigns / announcements:
 - Awareness creation
 - Library / hoopla user "Welcome" campaign
 - Periodic (seasonal /relational) hoopla use support
 - User recovery / reminder campaigns

Appendix B

Advance Schedule

Population of Service Area	Advance
> 1,000,000	\$ 100,000
500,000 - 999,999	\$ 75,000
300,000 - 499,999	\$ 50,000
200,000 - 299,999	\$ 35,000
100,000 - 199,999	\$ 25,000
50,000 - 99,999	\$ 12,000

Service Agreement Advance

(Fill in according to Schedule Above)

Population of Service Area	Advance
	\$



TERMS AND CONDITIONS

Terms and Conditions for Use

Midwest Tape, LLC and its affiliates ("hoopla") provides digital content, software applications, technology services and hosted websites for third parties. The Terms and Conditions for Use include all updates, supplements, additional terms, software licenses, promotional offers, and all of hoopla rules and policies (collectively referred to as "Terms"). The Terms apply to all hoopla hosted websites, applications, software, technologies and services (collectively referred to as "Services").

By installing, copying, or otherwise using the Digital Media Platform's (DMP's) website, mobile applications (apps) or its software, you acknowledge that you have read and understood this Agreement, and agree to be bound by its Terms, and our Privacy Policy, which expressly incorporated herein by reference and made a part of these Terms. If you do not agree to (or cannot comply with) the terms and conditions of this Agreement, do not install, copy, or use the DMP's apps, software or any music, images, video, text, or other material available through the DMP("Content").

Midwest Tape evaluates ongoing our Terms against new technologies, business practices, and our users' needs, and may make changes to the Terms accordingly. Please check this page periodically for updates. Your continued use of the Service after posting of any changes to these Terms means that you agree to be bound by such changes.

Copyright, Trademark and Intellectual Property

The laws of copyright protect the Content that is made available through the Software and associated Services. All of the Content (the "Digital Content Titles") made available through this website and any related application (the "Digital Media Platform") are protected by intellectual property rights, including copyright, trademarks, trade secrets, and/or patent rights (collectively, "Intellectual Property Rights") of third parties.

You must be an authorized library patron to access, use, and connect to the Digital Media Platform to borrow and view the Digital Content Titles. As an authorized library patron, you may borrow and view the Digital Content Titles during the designated loan period for your own, personal, non-commercial use only ("Allowed Use"), after which period the borrowed content will expire.

The DMP and any related apps grants you a non-assignable, non-transferable, limited license to use the digital content provided by hoopla's suppliers ("Content") which may enable you to obtain, listen to, view, and/or read (as the case may be) Content that may be obtained by you in digital form, and you shall do so solely for your personal, noncommercial entertainment use. This Content is owned by Midwest tape LLC and other third parties. However, in all circumstances, you understand and acknowledge that your rights with respect to Content will be limited by copyright law. You agree that you will not attempt to modify any apps, software or Content obtained through the Service for any reason whatsoever, including for the purpose of disguising or changing any indications of the ownership or source of the Content.

You represent, warrant and agree that you are using the DMP hereunder for your own personal, noncommercial entertainment use and not for redistribution or transfer of any kind. You agree not to redistribute, broadcast, publicly perform or publicly display any Content, or otherwise transfer any Content obtained through the Service.

You agree that you will not, for any reason whatsoever, reverse engineer, decompile, disassemble, or otherwise tamper with any security components, usage rules or other protection measures applicable to the DMP or Content. You agree to abide by the rules and policies established from time to time by

Midwest Tape LLC. Such rules and policies will be applied generally in a nondiscriminatory manner to users of the DMP apps and software, and may include, for example, required or automated updates, modifications, and/or reinstallations of the apps and software and obtaining available patches to address security, interoperability, and/or performance issues. Any use of the Digital Content Titles other than Allowed Use is a violation of law.

You agree not to make any use of the Content that would infringe the copyright therein.

Violation of any of the above restrictions may result in a termination of your ability to access the Services. Hoopla reserves any and all rights or remedies that may be available in the event of your breach of these Terms.

All of the technology related to the Digital Media Platform, the name hoopla digital, and any related collateral are owned by Midwest Tape LLC and is protected by Midwest Tape LLC's Intellectual Property Rights.

The owners of Content are intended beneficiaries of this Agreement and shall have the right to enforce this Agreement against you.

Security

You will not violate or attempt to violate the security of hoopla Services, Software, and/or Content.

You agree that it is your responsibility to install anti-virus software and related protections against viruses, Trojan horses, worms, time bombs, cancelbots or other computer programming routines or engines that are intended to damage, destroy, or otherwise impair computer's functionality or operation which may be transferred to your computer via the Services, Software, and/or Content.

No other license

Except as state herein, no other rights or licenses are granted hereunder.

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Termination of Access

Midwest Tape LLC and/or the owners of the Content may, from time to time, remove Content from the Service without notice. Midwest Tape reserves the right to modify, suspend or discontinue the hoopla Service (or any part thereof), Software, or any Content (or any part thereof) at any time with or without notice to you. Midwest Tape shall not be liable to you or any third party should we exercise such right.

Contacting Us

If there are any questions regarding this policy, you can email them to info@hoopladigital.com and we'll respond accordingly.

These Terms are effective as of May 2013.



PRIVACY POLICY

Midwest Tape, LLC and its affiliates (Midwest Tape, CVS Midwest, hoopla) provides digital content, software applications, technology services, and hosted websites for third parties. This privacy policy applies to all Midwest Tape hosted websites, applications and services (www.hoopladigital.com and its related services; collectively the "Services")

Midwest Tape is committed to protecting the privacy, accuracy, and reliability of any personal information provided and to safeguard loss, misuse, unauthorized access, disclosure, and alteration of this information. This privacy policy sets out to make you aware of how hoopla uses and/or shares any information that is gathered in the use of this website or app.

The hoopla app offers a wide variety of content. However, not all our sources may be relied upon to provide accurate, complete or current information. Some of the information may even be viewed as offensive, inaccurate, or controversial. Library Systems, library users, and any other third party users are responsible for their own use of the app and parents are responsible for their children's use of the Internet.

Midwest Tape evaluates ongoing our Privacy Policy against new technologies, business practices, and our users' needs, and may make changes to the Privacy Policy accordingly. Please check this page periodically for updates. Your continued use of the Service after posting of any changes to this Privacy Policy means that you agree to be bound by such changes.

What is "personal information"?

"Personal Information" describes information that can be associated with a specific user and used to identify that person, such as name, email address, birthday, gender, location information, etc. You may submit Personal Information when you use the hoopla Services. Other information, not personally identifiable, may be collected automatically when visiting or using the Services.

The app works in conjunction with your library system so your library card number is necessary (optional is the library card PIN) to verify that you are a patron in good standing with the library. An email address and password, submitted by you, will be used to authenticate you when you use the hoopla service.

The hoopla service records how you use our application, including by not limited to; online activity, digital content selections, reviews and ratings, and operating systems. Personal Information remains anonymous. This information is reported in aggregate (no personal identifier) to your library, content providers, and licensing agencies.

What do we use your information for?

- We use your email address and password to authenticate you with our systems.
- We use your library card number and library card PIN to authenticate you with your library's systems.
- We use a record of the materials you borrow to bill your library for usage and to pay license fees.

- We use usage data to look for ways to improve the hoopla service, by making popular features easier to find, getting rid of features that few people use, or anticipating features people may wish we had.
- We may use your email in response to a specific inquiry or complaint you may have posted to us.
- We may use your email address to send information about the hoopla service, such as; updates to the service, new major features and/or content information, unless you have opt out of receiving the information.
- In all circumstances, your information -- whether public or private -- will not be sold, exchanged, transferred, or given to any other company for any reason whatsoever, other than for the express purpose of being able to deliver the product or service.

How do we protect your information?

Your privacy is important to us. We have implemented measures to protect against the loss, misuse, and alteration of your Personal Information. All electronic communication between your web browser or mobile device and our servers is protected and encrypted via SSL (HTTPS). Your password is encrypted before it is stored in our database. We use computer safeguards such as firewalls and data encryption and physical access controls to our buildings and files. Midwest Tape uses commercially reasonable efforts to comply with this Privacy Policy but cannot guarantee error-free performance under this Policy. Midwest Tape will take prompt corrective action if it learns of any failure to comply with the Privacy Policy. Midwest Tape will not be liable for any incidental, indirect, consequential or punitive damages or for loss of profit or opportunity, loss of use or other financial loss arising out of or relating to this Privacy Policy.

Do we disclose any information to outside parties?

We do not sell, trade, or otherwise transfer to third parties your personally identifiable information. This does not include trusted third parties who assist us in operating our website, conducting our business, or servicing you, so long as those parties agree to keep this information confidential. We may also release your information when we believe release is appropriate to comply with the law, enforce our site policies, or protect ours or others rights, property, or safety. However, non-personally identifiable visitor information may be provided to other parties for marketing, advertising, or other uses.

Third party links

Occasionally, at our discretion, we may include or offer third party links on our website. These third party sites have separate and independent privacy policies. We therefore have no responsibility or liability for the content and activities of these linked sites. Nonetheless, we seek to protect the integrity of our site and welcome any feedback about these sites.

What if I share information with others while using the hoopla service?

While using the hoopla service, you may have opportunities to post reviews, rate digital content, and share digital content information with others in public forums and on social networking websites such as Facebook, and Twitter. When you share this information, it is made public but not subject to this Privacy Policy. We are not responsible for any third party's use of information you publicly display or disclose through our Service.

Online Privacy Policy Only

This online privacy policy applies only to information collected through our website and mobile applications, and not to information collected offline.



6950 Hall Street; Holland, Ohio 43528

August 7th, 2014

Re: Sole Source Statement

To whom it may concern:

Midwest Tape, (MWT), is a full service media distributor, working exclusively with public libraries since 1989. We customize our products and services to meet the unique needs of individual libraries as well as libraries as a whole.

Midwest Tape is currently pioneering the newest technology for public libraries; our library branded digital platform for mobile apps, "hoopla". As a long time service provider and distributor to public libraries, MWT is taking the process of viewing physical goods digitally to a whole new level. hoopla will provide libraries with a powerful new content delivery model that enables patrons to instantly borrow videos, full albums of music, and audiobooks. The interfaces are intuitive and easy to use. Like all services provided by MWT, we remain committed to being customer centric to our libraries.

We are the sole-source vendor for libraries when it comes to library branded digital platforms requiring NO setup fees or annual maintenance fees, and there are no costs associated with building an opening day collection. The only money spent with MWT will be applied 100% to patrons use.

All titles on hoopla are available to every patron with simultaneous title use; meaning no more holds, true patron-driven acquisition, better first user experience, and less dissatisfaction. That also means no more purchasing or leasing individual titles. Patrons have access to *all the titles, all the time* on the library branded hoopla app. However, libraries maintain full authority by utilizing any of the title restriction features which allow opting out of certain content by format, price point or a particular title.

Libraries will only be charged for what is consumed. This is a departure from the physical lending model and other digital platforms. Only when the patron selects a title to borrow does the library realize a per circulation charge from the platform. Currently circulations charges range from \$0.99 to \$2.99.

Digital video offerings are robust due to our unique partnership and long standing relationships with studios over the last 30 years.

Digital music offerings are matchless to any other source due to the fact that hoopla offers circulation of the full album of the artist work, not just one song at a time.

Pure lending model; videos circulate for 72 hours (3 days) from the time the patron hits borrow, likewise music circulates for 7 days and audiobooks circulate for 3 weeks. Similar to physical circulation at a library, a patron cannot keep any item, in fact, hoopla will auto return each item upon its expiration date.

hoopla offers multiple administrative tools, including detailed reports on usage and trends as well as the ability to export the results to spreadsheet. There are multiple options provided to manage your library budget, including item limits and hard budgetary stops.

MWT's innovation has always been inspired through years of industry knowledge and libraries' vision. We see this as a true collaborative effort between your library and MWT. The hoopla platform is purposefully co-branded to open with your library's logo and RSS feed to help reinforce that the local library is why patrons are able to access this great content. hoopla enables libraries to further communicate this message through enabling collection development tools which allow you to customize collections for your patrons.

We look forward to the opportunity to continue the symbiotic relationship we have with libraries in this venture to create demand and increase library card registration. We stand by our offering, so at any time, if your library believes hoopla is not of value, we only require a 60 day notification.

hoopla is a great value with very low risk and no financial speculation and we are excited to embark on his new frontier with you. Please call our Customer Service Department at (800) 875-2785 for more information.

Sincerely,

Jeff Jankowski
Vice President