

**MASTER SERVICES AGREEMENT**

between

**THE TEXAS EDUCATION AGENCY**

and

**SKYWARD, INC.**

**JUNE 1, 2011**

**SCHEDULE 8.3**

**ANNUAL ADJUSTMENT TO CHARGES**

The Parties acknowledge and agree to use the Consumer Price Index – Urban Customers (CPI-U) for any fees requiring annual adjustment as described in Exhibit 7.2 LEA Pricing Scenarios.

## 1 Basis for Adjustment to Charges

We agree to use November 1996 = 100 (the “**CPI-U**”) as the basis for annual adjustments to all charges to be paid by LEAs to Vendor under each Authorization Letter subject to the “**CPI-U Adjustable Charges**”.

Items subject to annual adjustments will be calculated as based on the CPI- U increase or 3.8% increase per year, whichever is higher. At no time will the increase be greater that 5%.in a single year.

## 2 Adjustment Calculation

To calculate the CPI-U increase the Vendor will use the CPI-U (Consumer Price Index for All Urban Consumers) before seasonal adjustment. Using the January CPI-U it would be available in mid-February, in time for the Vendor to calculate changes for the next Fiscal Year for the LEAs.

The Vendor will compare the CPI-U from January to January and multiply the percentage change by the current annual license fee to determine the annual license increase each year.

Attached is an example using \$20,000 as the current Annual License Fee (ALF) and the actual January CPI-U from the website.

### Annual License Fee/CPI-U at Commencement (or last adjustment) Date \* January CPI-U of the renewal year

#### January CPI-U expected to be released mid-February

The Current Annual License Fee is:	\$20,000.00
The CPI-U at last adjustment date was:	216.687

a)

b) [http://www.bls.gov/news.release/archives/cpi\\_02192010.htm](http://www.bls.gov/news.release/archives/cpi_02192010.htm)

This was the CPI-U for January 2010

The CPI-U of the renewal year	220.223
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c)

[http://www.bls.gov/news.release/archives/cpi\\_02172011.htm](http://www.bls.gov/news.release/archives/cpi_02172011.htm)

This was the CPI-U for January 2011

Applying the formula, the new annual licenses fee becomes:

a / b x c = d

\$20,000.00 / 216.687 x 220.223 =	<b>\$20,326.00</b>
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d)