

SpyGlass Snapshot Audit Agreement

This agreement, effective as of the later of the dates of signature below ("Effective Date"), is between **County of Macoupin** ("Company"), and The SpyGlass Group, Inc., an Ohio corporation ("Auditor").

1. Primary Audit Services. Company is engaging Auditor as an independent contractor to analyze its primary telecommunications service accounts (local voice, long distance voice, data and Internet) to seek cost recovery, service elimination and cost reduction recommendations. Auditor will deliver the recommendations to Company, implement recommendations that Company elects for Auditor to implement, and deliver a complete telecommunications inventory to Company.

While Auditor is performing its analysis, Company will not make changes or perform internal cost reduction analysis with respect to provider accounts which Company has included within the scope of Auditor's review.

2. Fees. Company will pay Auditor the applicable fee set forth below ONLY for Auditor recommendations implemented within twelve (12) months of Auditor delivering the recommendation to Company:

- 50% of any "Cost Recovery", as defined below
- 12 times any "Service Elimination Savings", as defined below
- 12 times any "Cost Reduction Savings", as defined below

"Cost Recovery" is any refund, credit or compensation received by Company relating to past services or charges.

"Service Elimination Savings" is any monthly cost reduction received by Company relating to cancellation of any service, including monthly usage cost reduction (calculated as the average of the last 2 months of usage costs associated with the cancelled service).

"Cost Reduction Savings" is any monthly cost reduction received by Company relating to the modification, consolidation or negotiation of any service, account or contract, including post discount usage rate improvement (calculated as the (a) decrease in post discount per unit pricing realized by Company for any service, times (b) the average of Company's last two (2) months usage levels measured in such units for the modified service).

3. Invoicing and Payment. Fees for Cost Recovery are due as a one-time payment within 10 days of verification that Company has been issued the refund, credit or compensation resulting in such fees. Fees for Service Elimination Savings and Cost Reduction Savings are due in three (3) equal monthly installments which are due thirty (30) days, sixty (60) days, and ninety (90) days, respectively, after verification by Company and Auditor that the modification, consolidation, or other activity resulting in the Service Elimination Savings or Cost Reduction Savings has been completed. ~~as a one-time payment within 10 days of verification that the cancellation or other activity resulting in the Service Elimination Savings or Cost Reduction Savings has been completed.~~ Auditor may issue separate invoices as different fees are earned.

4. Miscellaneous. This agreement is governed by the laws of the State of Illinois, without regard to principles of conflicts of law, and may be executed by facsimile and simultaneously in multiple counterparts. Company agrees that Auditor does not warranty the overall performance, Company satisfaction, or data accuracy of any telecommunications related carrier, provider, software manufacturer or vendor at any time whatsoever during or after the term of this agreement. AUDITOR SHALL NOT BE LIABLE TO THE COMPANY FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR BUSINESS INTERRUPTION, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHERWISE, EVEN IF EITHER PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE IN ADVANCE. IN ADDITION, IN NO EVENT SHALL AUDITOR'S LIABILITY TO COMPANY EXCEED THE FEES ACTUALLY PAID BY COMPANY TO AUDITOR.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the Effective Date.

COMPANY

AUDITOR

County of Macoupin

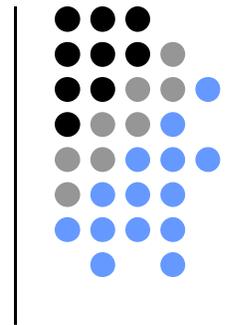
The SpyGlass Group, Inc.

By: _____

By: _____

Date: _____

Date: _____

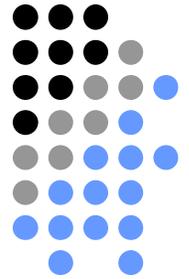


County of Macoupin

February 4, 2013

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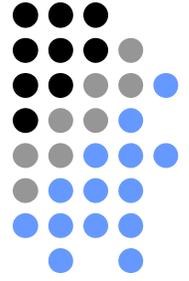
Common Problems for our Clients



- Pressure to reduce operating expenses
- Desire transparency into a complex line item of the P&L
- Concerned by lack of invoice review
- Interested in identifying unused services
- Discomfort that carriers may not have their best fiscal interest in mind

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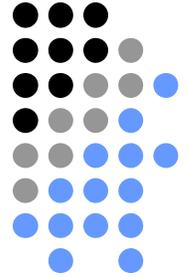
Analytical Process



- Creation of comprehensive service inventories
- Precise dissection of all fixed and variable cost components
- Analyze accumulated data from inventories, bills, contracts, tariffs, and usage information
- Generate recommendations in three distinct areas

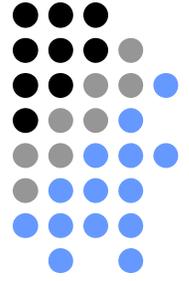
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Recovery Recommendations



- Conduct historical analysis to uncover bill mistakes
- Trace mistakes back to point of inception
- Seek recovery on client's behalf
- Mistakes can be caused by:
 - Contract/Tariff inconsistencies
 - Incorrect discount/promotion applications
 - Improper tax/surcharge/fee assessment
 - Incorrect volume leveraging

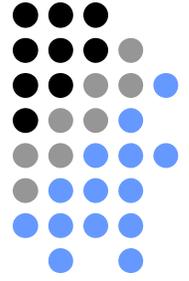
Elimination Recommendations



- Detailed inbound and outbound usage analysis conducted on a service by service basis
- Multiple data sources
- Identify underutilized and completely unused services

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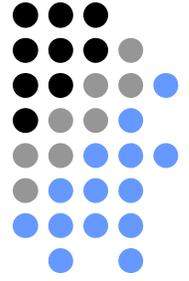
Cost Reduction Recommendations



- Examine billing/contracts for cost structure inefficiencies
- Examples:
 - Market analysis and rate reductions
 - Consolidation opportunities
 - Volume leveraging opportunities

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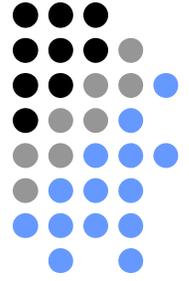
Bottom Line



- 3 of every 4 engagements generate recovery opportunities
- 90% of engagements yield elimination opportunities
- 80% of engagements produce general cost reduction opportunities

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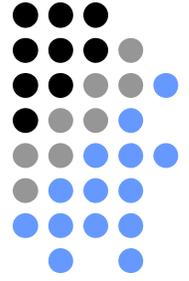
SpyGlass Methodology



- 6 week analytical process
- Summary of Findings Presentation
 - Discussion of data, recommendations and recovery/savings potential
- 6 week implementation process

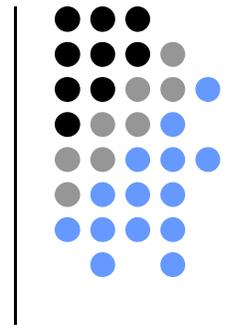
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Success-Based Fee Structure



- Goal is a rapid ROI
- No upfront fees
- Client control over implementation
 - No fee unless recommendation is selected for implementation
 - 50% Retroactive Recoveries
 - 12X Service Elimination and Cost Reduction
 - One Year or Less ROI

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Thank You!

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