

CITY of NOVI CITY COUNCIL

Agenda Item 5
September 8, 2008

SUBJECT: Approval of an agreement with AT&T subject to review and approval of standard form of agreement by City Manager and City Attorney to purchase two encoders and two T1 lines for approximately \$17,212 for the first year and approximately \$14,154 for each of the two subsequent years for the purpose of providing City of Novi PEG programming to AT&T U-verse subscribers.

SUBMITTING DEPARTMENT: Neighborhood and Business Relations

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$ 17,212 (approximately)
AMOUNT BUDGETED	\$ 0
APPROPRIATION REQUIRED	\$17,212 (included in first quarter budget amendment)
LINE ITEM NUMBER	101-295.00-851.300 & 101.295.00-740.000

BACKGROUND INFORMATION:

In April 2007, City Council approved a Uniform Video Service Local Franchise Agreement with AT&T to allow provision of AT&T's U-verse (digital phone, high-speed internet, and video television services) to the Novi community. To date, the City has received more than \$30,000 in franchise and PEG fee payments from AT&T. Although we do not have actual numbers, it is estimated (given a 5% franchise fee on a \$100 U-verse cost) that U-verse subscribership in Novi is approximately 1,500 homes/businesses. We thus believe that the service has grown to warrant providing the same opportunities to view our public programming as Bright House subscribers. Novi would be the first SWOCC community to offer this content and one of few communities in Michigan to provide PEG programming via U-verse.

The U-verse service is internet-based and programming is provided via "streaming" to the end user's television. Similar to the "streamed" City Council and Boards & Commission Meetings, providing this service requires an encoder at each point of programming and a dedicated T1 line by which to transport the signal. The City of Novi has two points of programming – constant programming from SWOCC and "live" broadcasts from the Council Chambers. The City of Novi would have two channels on U-verse, accessible through AT&T's channel 99.

The total cost to provide full City of Novi television programming on U-verse is roughly \$27,000 for the first year. This includes the cost of two encoders, two T1 lines, installation and set-up, and racks to house the equipment. AT&T is providing a one-time signing bonus of \$9,787.50 to cover the cost of two encoders, installation, and a one-year maintenance agreement, bringing the first year cost to approximately \$17,212.50.

First Year investment

Two encoders, installation, and maintenance service for one-year	\$ 9,787.50
Two T1 lines for distribution (\$589.75 per month for two lines)	14,154.00
Misc. equip/installation (audio/video amp, rack, etc.) <i>approximately</i>	<u>3,058.50</u>
	\$27,000.00

AT&T one-time equipment signing bonus	<i>minus</i>	\$ 9,787.50
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Net First Year Cost

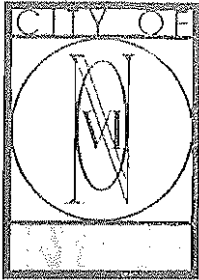
approximately \$17,212.50

The cost in subsequent years, assuming a three-year agreement with AT&T, would only include the signal transmission via the two T1 lines at a cost of \$14,154 (\$589.75 per month for two lines).

RECOMMENDED ACTION: Approval of an agreement with AT&T subject to review and approval of standard form of agreement by City Manager and City Attorney to purchase two encoders and two T1 lines for approximately \$17,212 for the first year and approximately \$14,154 for each of the two subsequent years for the purpose of providing City of Novi PEG programming to AT&T U-verse subscribers.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Capello				
Council Member Crawford				
Council Member Gatt				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				



cityofnovi.org

MEMORANDUM

TO: CLAY PEARSON, CITY MANAGER
FROM: SHERYL WALSH, COMMUNITY RELATIONS MANAGER
SUBJECT: PROVIDING CITY OF NOVI TELEVISION PROGRAMMING ON AT&T'S U-VERSE
DATE: AUGUST 28, 2008

8/28/08

To: Mayor and City Council Members

For future consideration

Novi has been a part of efforts to bring cable competition into the city for more than a decade. Prior to 1995, there was no cable competition available in Michigan. Cable operators contended that it was not cost effective to build infrastructure throughout a city when it was likely they would attain less than 30 percent of the market. In 2005, City Council formally adopted a resolution inviting cable competition in Novi on the same terms as approved to the incumbent firm.

In April 2007, City Council approved a Uniform Video Service Local Franchise Agreement with AT&T. AT&T began offering U-verse (digital phone, high-speed internet, and video television services) within weeks of the agreement and has seen a steady increase in subscribership during the past year. The City has received more than \$30,000 in Franchise and PEG fee payments from AT&T. The AT&T payments consisting of five percent of the franchise revenue and three percent in PEG fees come directly to the City of Novi and are not used to fund the Southwestern Oakland Cable Commission. SWOCC is funded from a five percent franchise fee (three percent comes to the City of Novi) and one percent PEG fee from Bright House. Since we do not have actual numbers, we can best guesstimate (given a five percent franchise fee on a \$100 U-verse cost) U-verse subscribership in Novi to be approximately 1,500 homes/businesses.

The U-verse service is internet-based and programming is provided via "streaming" to the end user's television. Thus, channel 13, which is provided via cable to Bright House and distributed through their network, is not available to U-verse users.

City staff has met with AT&T representatives to determine how best to provide City of Novi programming to U-verse subscribers. Similar to the "streamed" City Council and Boards & Commission Meetings, providing this service requires an encoder at each point of programming and a dedicated T1 line by which to transport the signal. The City of Novi has two points of programming – constant programming from SWOCC and "live" broadcasts from the Council Chambers. When a "live" signal is broadcast from the Civic Center, it overrides the signal coming from SWOCC allowing for one cable channel. With an internet-based system, the override capability is not an option and necessitates two encoders for streaming (one at SWOCC and one at the Civic Center) and, likewise, two dedicated T1 lines. The City of Novi would have channels on U-verse.

The total cost to provide full City of Novi television programming on U-verse is roughly \$27,000 for the first year. This includes the cost of two encoders, two T1 lines, installation and set-up, and racks to house the equipment. Once installed, the annual cost to provide this service would only include the monthly T1 line charges (\$1,180 for two) of approximately \$14,000.

AT&T is prepared to offer the City of Novi a one-time signing bonus of \$9,787.50 to cover the cost of two encoders, installation, and a one-year maintenance agreement. A copy of the price sheets is attached. This item will be included as a matter for City Council consideration at the September 8th City Council Meeting.



Proposal For
ATT Michigan
Uverse PEG VBrick – City of Novi
 Wednesday, July 30, 2008

Equipment

Part Number	Qty	Description	Unit Price	Total Price
VBR-WM-IP-E	2	Windows Media Ethernet Single Video Encoder	\$3,446.25	\$6,892.50
				<i>\$6,892.50</i>

Services

Part Number	Qty	Description	Unit Price	Total Price
IDS-Install	1	2 hours remote Installation per encoder and basic product orientation	\$720.00	\$720.00
Silver 1 Year W Software Warranty	1	Silver maintenance service 1 Year with Software Warranty. Including <ul style="list-style-type: none"> - Requires Remote IP Access - Integrated Service Center Help Desk Support - Software Warranty - Advanced Parts Replacement 	\$2,175.12	\$2,175.00

Shipping: TBD
Grand Total w/o Shipping: \$9,787.50

Proposal #: 18-012608-2
 Wednesday, July 30, 2008

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Marlow King
 Regional Sales Manager
 616-406-8687 P
 616-588-6170 F
 mking@e-idsolutions.com



**City of Novi
MIS Service Price
U-Verse PEG Access
August 13, 2008**

Ms. Walsh,

Per our last meeting regarding AT&T U-Verse PEG service on Monday June 30, 2008, AT&T would like to extend the following quote for services. This quote is based on the information provided during the meeting on June 30 and it is our understanding that two AT&T MIS connections will be ordered to support the needs of the City of Novi. The service locations and pricing per location are provided below.

SWOCC

33300 Nine Mile Road
Farmington, MI. 48336

Single AT&T MIS T1 with Router \$589.75 per month

Novi City Hall

45175 W Ten Mile Road
Novi, MI. 48375

Single AT&T MIS T1 with Router \$589.75 per month

Installation interval: 60 days after contract signature.

This quote applies only to the AT&T Internet T1 at each location and does not include the encoder pricing. The pricing for two single channel encoder devices is provided in a separate attachment, but as quoted, would total \$9,787.50. This is a one time purchase price and not a recurring charge.

AT&T is prepared to offer the City of Novi a one time \$9,787.50 signing bonus based on the following conditions:

City of Novi signs a 36 month agreement for the two Internet T1s at \$589.75 each;
City of Novi keeps these Internet circuits for the full 36 months of the agreement;
City of Novi purchases the encoder equipment through AT&T.

This \$9,787.50 signing bonus would be applied to the Internet T1 account approximately 9 months after circuit activation.

Sincerely,
David K. Clark

2007/2008 AT&T Franchise and PEG fee payments
SWOCC

	2 nd QTR 2007	3 rd QTR 2007	4 th QTR 2007	1 st QTR 2008	2 nd QTR 2008	Total
Novi						
Franchise Fee (5%)	\$ 8.45	\$ 781.91	\$ 3,702.43	\$ 6,765.08	\$ 7,855.94	
PEG Fee (3 %)	\$ 5.06	\$ 467.81	\$ 2,221.46	\$ 4,059.53	\$ 4,702.25	
Total	\$ 13.51	\$ 1,249.72	\$ 5,923.89	\$ 10,824.61	\$ 12,558.19	\$ 30,569.92
Farmington Hills						
Franchise Fee (5%)	\$ 33.09	\$ 1,644.11	\$ 7,078.31	\$ 12,521.85	\$ 15,349.54	
PEG Fee (3 %)	\$ 19.79	\$ 983.94	\$ 4,246.99	\$ 7,513.11	\$ 9,186.11	
Total	\$ 52.88	\$ 2,628.05	\$11,325.30	\$ 20,034.96	\$ 24,535.65	\$ 63,811.96
Farmington						
Franchise Fee (5%)	\$ 6.11	\$ 155.52	\$ 665 .86	\$ 1,405.59	\$ 1,835.28	
PEG Fee (3 %)	\$ 3.65	\$ 92.79	\$ 399.51	\$ 843.36	\$ 1,099.19	
Total	\$ 9.76	\$ 248.31	\$1,065.37	\$ 2,248.95	\$ 2,934.47	\$ 6,506.86
Total SWOCC						\$ 100,888.74



AT&T MASTER AGREEMENT
MA Reference No. _____

Customer Entity ("Customer") City of Novi	AT&T Entity ("AT&T") AT&T Corp.
Customer Address 45175 W 10 Mile Rd Novi, MI 48375	AT&T Address One AT&T Way Bedminster, New Jersey 07921-0752
Customer Contact Name: Rob Petty Title: CIO Telephone: 248-735-5605 Fax: Email: rpetty@cityofnovi.org	AT&T Contact Master Agreement Support Team Email: mast@att.com

This Agreement consists of this Master Agreement and all schedules, exhibits and service order attachments ("**Attachments**") appended hereto or subsequently signed by the parties, and that reference this Master Agreement (collectively, this "**Agreement**"). In the event of an inconsistency among terms, the order of priority shall be the applicable Attachment (including its Addenda, if any), then the applicable Pricing Schedule, then this Master Agreement, then, if applicable, AT&T's Acceptable Use Policy, and then any applicable Service Guide.

This Agreement shall become effective when signed by authorized representatives of both parties and shall continue in effect so long as Service is being provided hereunder.

Document(s) Appended:

Comprehensive Service Order Attachment

AGREED: Customer

AGREED: AT&T

By: _____
 (Authorized Agent or Representative)

By: _____
 (Authorized Agent or Representative)

 (Typed or Printed Name)

 (Typed or Printed Name)

 (Title)

 (Title)

 (Date)

 (Date)

General Terms and Conditions

The following terms and conditions shall apply to the provision and use of Services provided by AT&T pursuant to this Agreement.

1.0 DEFINITIONS

The following terms shall have the meanings set forth below:

"AUP" means AT&T's Acceptable Use Policy, as revised by AT&T from time to time, located at <http://www.ipservices.att.com//policy.html> or such other AT&T-designated location.

"Affiliate" of a party means any entity that controls, is controlled by or is under common control with such party.

"AT&T", for purposes of all remedies and limitations of liability set forth in this Agreement or an Attachment, means AT&T, its Affiliates, and its and their employees, directors, officers, agents, representatives, subcontractors, interconnection and co-location service providers and suppliers.

"AT&T CPE" means equipment provided under this Agreement by AT&T or its suppliers and located at a Site. AT&T CPE includes any internal code required to operate such Equipment. AT&T CPE does not include Customer Equipment or Purchased Equipment.

"AT&T Software" means all Software other than Third-Party Software.

"Content" means information (excluding AT&T information) made available, displayed or transmitted (including, without limitation, information made available by means of an HTML "hot link", a third party posting or similar means) in connection with a Service, including all trademarks, service marks and domain names contained therein, Customer and User data, and the contents of any bulletin boards or chat forums, and, all updates, upgrades, modifications and other versions of any of the foregoing.

"Customer", for purposes of all remedies and limitations of liability set forth in this Agreement or an Attachment, means Customer, its Affiliates, and its and their employees, directors, officers, agents, and representatives.

"Customer Equipment" means equipment owned by Customer. Customer Equipment includes any internal code required to operate such Equipment.

"Damages" means collectively all injury, damage, liability, loss, penalty, interest and expense incurred.

"Equipment" means "AT&T CPE", "Customer Equipment" and "Purchased Equipment."

"INFORMATION" means proprietary information of either party that is disclosed to the other party in the course of performing or evaluating potential amendments to this Agreement, provided such information (except for Content)

is in written or other tangible form that is clearly marked as "proprietary" or "confidential".

"Marks" means each party's trade names, logos, trademarks, service marks or other indicia of origin.

"Pricing Schedule" means a pricing schedule to an Attachment.

"Purchased Equipment" means equipment sold under this Agreement by AT&T to Customer. Purchased Equipment includes any internal code required to operate such Equipment.

"Service" means a service (including Equipment) provided under this Agreement.

"Service Component" means the individual components of a Service that Customer orders under a Pricing Schedule.

"Service Guide" means the applicable portion of a Service Guide that is identified and incorporated in an Attachment.

"Site" means a Customer physical location, including a Customer co-location space on AT&T premises, where AT&T installs or provides a Service.

"Software" means all software and associated written and electronic documentation and data licensed by AT&T to Customer in connection with a Service. Software does not include software that is not furnished to Customer.

"Third-Party Software" means Software that AT&T licenses from a third party.

"User" means anyone (including Customer Affiliates) who uses or accesses any Service purchased by Customer under this Agreement, but excluding unauthorized parties that, after Customer has taken commercially reasonable steps to prevent unauthorized access, use or access a Service without Customer's knowledge.

2.0 CHARGES AND BILLING

2.1 Customer shall pay AT&T for Customer's and Users' use of the Services at the rates and charges specified in the Attachments and the Pricing Schedules, without deduction, setoff or delay for any reason. Charges set forth in the Attachments and the Pricing Schedules are exclusive of any applicable taxes. At Customer's request and with AT&T's consent (which may be withheld if AT&T determines there would be operational impediments or an inability to claim tax credits), Customer's Affiliates will be invoiced separately and AT&T will accept payment from such Affiliates; provided, however, Customer shall remain responsible for payment if its Affiliate does not pay charges in accordance with this Agreement. AT&T may require Customer to tender a deposit if AT&T determines in its reasonable judgment that Customer is not creditworthy.

2.2 Customer shall pay all taxes (excluding those on AT&T's net income), duties, levies, shipping charges and other similar charges (and any associated interest and

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penalties) relating to the sale, transfer of ownership, installation, license, use or provision of the Services, except to the extent a valid tax exemption certificate is provided by Customer to AT&T prior to the delivery of Services. To the extent Customer is required to withhold or deduct non-U.S. income taxes from payments due to AT&T, Customer shall use reasonable commercial efforts to reduce such tax to the maximum extent possible giving effect to the applicable Tax Convention and shall furnish AT&T with such evidence as may be required by U.S. taxing authorities to establish that such tax has been paid so that AT&T may claim any applicable credit.

2.3 Payment is due within thirty (30) days after the date of the invoice and must refer to the invoice number. Charges will be quoted and invoices shall be paid in the currency specified in invoice. Restrictive endorsements or other statements on checks accepted by AT&T will not apply. Customer shall reimburse AT&T for all costs associated with collecting delinquent or dishonored payments. Where payments are overdue, AT&T may assess interest charges at the lower of 1.5% per month (18% per annum) or the maximum rate allowed by law.

2.4 Customer shall not be responsible for payment of charges for AT&T Services invoiced more than six (6) months after close of the billing month in which the charges were incurred, except for automated or live operator assisted calls of any type. Customer must provide written notice to AT&T specifically identifying all disputed charges and the reason for nonpayment within six (6) months after the date of the affected invoice or else Customer waives the dispute. Payment of such disputed charges will not be considered overdue pending investigation by AT&T. Payment of any disputed charges that are determined by AT&T to be correct as a result of such investigation must be made within fifteen (15) days of AT&T's notice to Customer.

3.0 RESPONSIBILITIES OF THE PARTIES; AFFILIATES

3.1 AT&T agrees to provide Services to Customer in accordance with this Agreement, subject to the geographic and technical scope of the Services and availability of necessary facilities, equipment and access.

3.2 Each party shall comply with all applicable laws and regulations.

3.3 AT&T grants to Customer the right to permit Users to access and use the Services, provided that Customer shall remain solely responsible for such access and use.

3.4 If a Service is provided over or includes access to the Internet, Customer and its Users shall comply with the AUP. If Customer fails to rectify a violation of the AUP within five (5) days after receiving notice thereof from AT&T, then AT&T may suspend the applicable portions of the Service. AT&T reserves the right, however, to act

immediately and without notice to suspend or terminate Service in response to a court order or government notice that certain conduct must be stopped or when AT&T reasonably determines: (i) that it may be exposed to sanctions or prosecution; (ii) that such violation may cause harm to or interfere with the integrity or normal operations or security of AT&T's network or networks with which AT&T is interconnected or interfere with another customer's use of AT&T Services or the Internet; or (iii) that such violation otherwise presents imminent risk of harm to AT&T or AT&T's customers or their respective employees.

3.5 Except for IP addresses, domain names and telephone numbers expressly registered in Customer's name, all IP addresses, AT&T-based domain names and telephone numbers shall remain, at all times, property of AT&T and shall be nontransferable and Customer shall have no right to use such IP addresses, AT&T-based domain names or telephone numbers upon termination or expiration of the applicable Pricing Schedule.

3.6 Customer grants AT&T access rights to the property and premises that Customer controls. Customer shall cooperate with AT&T's efforts to procure such access rights for the portions of the property not under Customer's control. Access rights include (i) the right to construct, install, repair, maintain, replace and remove access lines and network facilities, as well as the use of ancillary equipment space within the building, for the connection of customer to AT&T's network using AT&T-owned or AT&T-leased facilities; and (ii) 24 hours a day, 7 day a week access to the access lines and network facilities on the property.

3.7 Unless applicable local law or regulation mandates otherwise, Customer may not resell any portion of a Service to third parties.

3.8 Any AT&T Affiliate or Customer Affiliate may sign an Attachment or add a Pricing Schedule to an Attachment in its own name and such Affiliate contract will be considered a separate, but associated, contract, incorporating these General Terms and Conditions and the terms of the Attachment (with the Affiliate being substituted for AT&T or Customer, as applicable); provided, however, that AT&T and Customer shall be responsible for their respective Affiliates' performance pursuant to such Affiliate contract.

4.0 USE OF INFORMATION

4.1 This Agreement shall be deemed to be AT&T and Customer's INFORMATION. Customer's Content shall be deemed to be Customer's INFORMATION.

4.2 Each party's INFORMATION shall, for a period of three (3) years following its disclosure (except in the case of Software, for an indefinite period): (i) be held in confidence; (ii) be used and transmitted between countries only for purposes of performing this Agreement (including in the

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case of AT&T, the ability to monitor and record Customer's transmissions in order to detect fraud, check quality, and to operate, maintain and repair the Services), using the Services or evaluating potential amendments to this Agreement; and (iii) not be disclosed except to the receiving party's employees, agents and contractors having a need-to-know (provided that such agents and contractors are not direct competitors of the other party and agree in writing to use and disclosure restrictions as restrictive as this Article 4), or to the extent required by law (provided that prompt advance notice is provided to the disclosing party to the extent practicable).

4.3 The restrictions in this Article shall not apply to any information that: (i) is independently developed by the receiving party; or (ii) is lawfully received by the receiving party free of any obligation to keep it confidential; or (iii) becomes generally available to the public other than by breach of this Agreement.

4.4 Both parties agree to comply with privacy laws applicable to their respective businesses. Customer shall obtain any User consents legally required relating to handling of User's Content. If Customer believes that, in the course of providing Services under this Agreement, AT&T will have access to data Customer does not want AT&T personnel to comprehend, Customer should encrypt such data so that it will be unintelligible.

5.0 PUBLICITY AND MARKS

5.1 Neither party may issue any public statements or announcements relating to this Agreement without the prior written consent of the other party.

5.2 Each party agrees not to display or use, in advertising or otherwise, any of the other party's Marks without the other party's prior written consent, provided that such consent may be revoked at any time.

6.0 SOFTWARE

6.1 AT&T grants Customer a personal, non-transferable and non-exclusive license (without the right to sublicense) to use Software, in object code form, solely in connection with the Service(s) for which the Software is provided and solely in accordance with applicable written and electronic documentation. Customer will refrain from taking any steps to reverse assemble, reverse compile or otherwise derive a source code version of the object code of the Software. The Software shall at all times remain the sole and exclusive property of AT&T or its suppliers.

6.2 Customer shall not copy or download AT&T Software, except that Customer shall be permitted to make two (2) copies of AT&T Software, one for archive and the other for disaster recovery purposes. Any copy must contain the same copyright notices and proprietary markings as the original AT&T Software.

6.3 To the extent that use of Software by a User is required for the use of a Service, Customer's Users may use the Software licensed to Customer under this Agreement for that purpose. Customer shall assure that Customer's Users comply with the terms and conditions of this Article 6.

6.4 The term of the license granted hereunder shall be coterminous with the term of the related Services.

6.5 Customer agrees to comply with the terms and conditions that are provided with any Third-Party Software and, in the event of a conflict, such Third-Party terms and conditions will take precedence over this Agreement as to such Third Party Software. AT&T will pass through to Customer any warranties available from its Third Party Software suppliers, to the extent that AT&T is permitted to do so under its contracts with those suppliers.

6.6 AT&T warrants that all AT&T Software will perform substantially in accordance with its applicable published specifications for the term of the license that covers the AT&T Software. If Customer returns to AT&T, within such period, any AT&T Software that does not comply with this warranty, then AT&T, at its option, will either repair or replace the portion of the AT&T Software that does not comply or refund any amount Customer prepaid for the time periods following return of such failed or defective AT&T Software to AT&T. This warranty will apply only if the AT&T Software is used in accordance with the terms of this Agreement and is not altered, modified or tampered with by Customer or Users.

7.0 ADJUSTMENTS TO MINIMUM COMMITMENTS

In the event of a business downturn beyond Customer's control, or a corporate divestiture, merger, acquisition or significant restructuring or reorganization of Customer's business, or network optimization using other AT&T Services, or reduction of AT&T's rates and charges, or force majeure events, any of which significantly impairs Customer's ability to meet Customer's minimum commitments, if any, AT&T will offer to adjust the affected minimum commitments so as to reflect Customer's reduced traffic volumes, after taking into account the effect of such a reduction on AT&T's costs and the AT&T prices that would otherwise be available at the revised minimum commitment levels. If the parties reach mutual agreement on revised minimum commitments, AT&T will amend or replace the affected Pricing Schedules, as applicable. Notwithstanding the foregoing, this provision shall not apply to a change resulting from a decision by Customer to transfer portions of Customer's traffic or projected growth to service providers other than AT&T. Customer must give AT&T written notice of the conditions Customer believes will require the application of this provision. This provision does not constitute a waiver of any charges, including, but not limited to, monthly recurring charges and shortfall

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charges, incurred by Customer prior to amendment or replacement of the affected Pricing Schedules.

8.0 FORCE MAJEURE

Neither AT&T nor Customer shall be liable for any delay, failure in performance, loss or damage due to fire, explosion, power blackout, earthquake, flood, the elements, strike, embargo, labor disputes, acts of civil or military authority, war, terrorism, acts of God, acts of the public enemy, acts or omissions of carriers or suppliers, acts of regulatory or governmental agencies, or other causes beyond such party's reasonable control, whether or not similar to the foregoing.

9.0 LIMITATIONS OF LIABILITY

9.1 EITHER PARTY'S ENTIRE LIABILITY AND THE OTHER PARTY'S EXCLUSIVE REMEDIES FOR ANY CLAIMS ARISING IN CONNECTION WITH ANY SERVICE OR OBLIGATIONS UNDER THIS AGREEMENT SHALL BE:

(i) FOR BODILY INJURY OR DEATH TO ANY PERSON, OR REAL OR TANGIBLE PROPERTY DAMAGE, NEGLIGENCE CAUSED BY A PARTY, OR DAMAGES ARISING FROM THE WILLFUL MISCONDUCT OF A PARTY OR ANY BREACH OF ARTICLES 4 (Use of Information) OR 5 (Publicity and Marks), THE OTHER PARTY'S RIGHT TO PROVEN DIRECT DAMAGES;

(ii) FOR DEFECTS OR FAILURES OF SOFTWARE, THE REMEDIES SET FORTH IN ARTICLE 6 (Software);

(iii) FOR INTELLECTUAL PROPERTY INFRINGEMENT, THE REMEDIES SET FORTH IN ARTICLE 11 (Further Responsibilities);

(iv) FOR DAMAGES OTHER THAN THOSE SET FORTH ABOVE AND NOT EXCLUDED UNDER THIS AGREEMENT, EACH PARTY'S LIABILITY SHALL BE LIMITED TO PROVEN DIRECT DAMAGES NOT TO EXCEED PER CLAIM (OR IN THE AGGREGATE DURING ANY TWELVE (12) MONTH PERIOD) AN AMOUNT EQUAL TO THE TOTAL NET CHARGES INCURRED BY CUSTOMER FOR THE AFFECTED SERVICE IN THE RELEVANT COUNTRY DURING THE THREE (3) MONTHS PRECEDING THE MONTH IN WHICH THE DAMAGE OCCURRED. THIS SHALL NOT LIMIT CUSTOMER'S RESPONSIBILITY FOR THE PAYMENT OF ALL PROPERLY DUE CHARGES UNDER THIS AGREEMENT.

(v) THE LIMITATIONS IN THIS SECTION 9.1 ARE NOT INTENDED TO PRECLUDE A PARTY FROM SEEKING INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION IN THE EVENT OF A VIOLATION BY THE OTHER PARTY OF ARTICLE 4 (Use of Information) OR ARTICLE 5 (Publicity and Marks) OR CUSTOMER'S VIOLATION OF ARTICLE 6 (Software).

9.2 EXCEPT FOR THE PARTIES' ARTICLE 11 (Further Responsibilities) OBLIGATIONS, NEITHER PARTY SHALL

BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, ADVANTAGE, SAVINGS OR REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS.

9.3 AT&T SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: INTEROPERABILITY, ACCESS OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, EQUIPMENT, SERVICES, CONTENT OR NETWORKS PROVIDED BY CUSTOMER OR THIRD PARTIES; SERVICE DEFECTS, SERVICE LEVELS, DELAYS OR INTERRUPTIONS (EXCEPT FOR CREDITS FOR SUCH SERVICE DEFECTS, SERVICE LEVELS, DELAYS OR INTERRUPTIONS EXPLICITLY SET FORTH IN AN ATTACHMENT, PRICING SCHEDULE OR SERVICE GUIDE) OR LOST OR ALTERED MESSAGES OR TRANSMISSIONS; OR, UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S, USERS' OR THIRD PARTIES' APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS.

9.4 EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AT&T MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT OR ANY REPRESENTATION OR WARRANTY ARISING BY USAGE OF TRADE, COURSE OF DEALING OR COURSE OF PERFORMANCE.

9.5 AT&T DOES NOT GUARANTEE NETWORK SECURITY, THE ENCRYPTION EMPLOYED BY ANY SERVICE, THE INTEGRITY OF ANY DATA THAT IS SENT, BACKED UP, STORED OR SUBJECT TO LOAD BALANCING, OR THAT AT&T'S SECURITY PROCEDURES WILL PREVENT THE LOSS OF, ALTERATION OF, OR IMPROPER ACCESS TO, CUSTOMER DATA AND INFORMATION.

9.6 THE LIMITATIONS OF LIABILITY SET FORTH IN THIS AGREEMENT SHALL APPLY: (i) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; AND (ii) WHETHER OR NOT DAMAGES WERE FORESEEABLE.

9.7 THESE LIMITATIONS OF LIABILITY SET OUT IN THIS ARTICLE 9 SHALL SURVIVE FAILURE OF ANY EXCLUSIVE REMEDIES PROVIDED IN THIS AGREEMENT.

10.0 TERMINATION

10.1 If a party fails to perform or observe any material term or condition of this Agreement and the failure continues unremedied for thirty (30) days after receipt of

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General Terms and Conditions

written notice, the other party may terminate or suspend for cause any Service Components affected by the breach.

10.2 A Service may be terminated immediately upon written notice (a) by either party if the other party (i) becomes insolvent or involved in a liquidation or termination of its business, files a bankruptcy petition, has an involuntary bankruptcy petition filed against it (if not dismissed within thirty (30) days of filing), becomes adjudicated bankrupt, or becomes involved in an assignment for the benefit of its creditors; (ii) has violated the provisions of Article 5 (Publicity and Marks) or (iii) has materially breached any provision of Article 4 (Use of Information), or (b) by AT&T due to a material breach by Customer of any provision of Article 6 (Software).

10.3 AT&T may amend an applicable tariff or Service Guide from time to time consistent with this Agreement, provided, however, that if AT&T revises an applicable tariff or Service Guide in a manner that is material and adverse to Customer and AT&T does not effect revisions that remedy such adverse and material effect within thirty (30) days after receipt of written notice from Customer, then Customer may, as its sole remedy, elect to terminate the affected Service Components on thirty (30) days' written notice, given not later than ninety (90) days after Customer first learns of the revision to the applicable tariff or Service Guide. However, a revision to a tariff or Service Guide shall not be considered material and adverse to Customer if: (i) it affects only Services or Service Components not in substantial use by Customer at the time of the revision; or (ii) it changes rates or charges that are not fixed (stabilized) in an Attachment or Pricing Schedule.

10.4 Unless applicable local law or regulation mandates otherwise, AT&T may discontinue providing a Service to customers upon twelve (12) months written notice, or a Service Component upon one hundred and twenty (120) days written notice, unless a different written notice period is provided in the applicable Pricing Schedule.

10.5 Termination Charges, if any, shall be as specified in an Attachment, in the event that AT&T terminates under Section 10.1 or 10.2, or Customer terminates for convenience.

10.6 Termination by either party of a Service does not waive any other rights or remedies it may have under this Agreement. Termination or suspension of a Service shall not affect the rights and obligations of the parties regarding any other Service.

11.0 FURTHER RESPONSIBILITIES

11.1 AT&T agrees to defend or settle any claim against Customer and to pay all Damages that a court may award against Customer, in any suit that alleges a Service infringes any patent, trademark, copyright or trade secret, except where the claim or suit arises out of or results from:

Customer's or User's Content; modifications to the Service or combinations of the Service with non-AT&T services or products, by Customer or others; AT&T's adherence to Customer's written requirements; or, use of the Service in violation of this Agreement. Customer agrees to defend or settle any claim against AT&T and to pay all Damages that a court may award against AT&T in any suit that alleges a Service infringes any patent, trademark, copyright or trade secret, due to any of the exceptions in the preceding sentence.

11.2 Whenever AT&T is responsible under Section 11.1, AT&T may at its option either procure the right for Customer to continue using, or may replace or modify the alleged infringing Service so that the Service becomes non-infringing, but if those alternatives are not reasonably achievable, AT&T may terminate the affected Service without liability other than as stated in Section 11.1.

11.3 AT&T's obligations and indemnities under this Agreement run exclusively to Customer and are not intended to extend to third parties that may use or be affected by Customer's use of the Services. Where Customer authorizes or permits third parties to utilize the Services, it is Customer's responsibility to limit its liability to such parties, and, therefore, except to the extent AT&T is obligated to indemnify Customer under this Article 11, Customer agrees to defend or settle any claim against AT&T by such parties and to pay all Damages that a court may award against AT&T in any suit brought by such parties.

11.4 The indemnified party under this Article 11: (i) must notify the other party in writing promptly upon learning of any claim or suit for which indemnification may be sought, provided that failure to do so shall have no effect except to the extent the other party is prejudiced thereby; (ii) shall have the right to participate in such defense or settlement with its own counsel and at its sole expense, but the other party shall have control of the defense or settlement; and (iii) shall reasonably cooperate with the defense.

12.0 EQUIPMENT

12.1 AT&T shall retain all right, title or interest in AT&T CPE and no ownership rights in AT&T CPE shall transfer to Customer. Customer shall provide a suitable and secure environment free from environmental hazards and electric power for AT&T CPE and shall keep the AT&T CPE free from all liens, charges, and encumbrances. Customer shall bear the risk of loss of or damage to AT&T CPE (ordinary wear and tear excepted) from any cause except to the extent caused by AT&T or its suppliers. AT&T CPE shall not be removed, relocated, modified, interfered with, or attached to non-AT&T equipment by Customer without prior written authorization from AT&T.

General Terms and Conditions

12.2 Title to and risk of loss of Purchased Equipment will pass to Customer as of delivery, upon which date AT&T will have no further obligations of any kind with respect to that Purchased Equipment, except as set forth in an applicable Attachment, Pricing Schedule or Service Guide. If Customer does not accept the Equipment, the Equipment should be returned to the manufacturer. AT&T will obtain from the manufacturer and forward to Customer a Return Material Authorization. AT&T retains a purchase money security interest in each item of Purchased Equipment until Customer pays for it in full; Customer appoints AT&T as Customer's agent to sign and file a financing statement to perfect AT&T's security interest.

12.3 All Purchased Equipment provided under this Agreement is provided on an "AS IS" basis, except that AT&T will pass through to Customer any warranties available from its Purchased Equipment suppliers, to the extent that AT&T is permitted to do so under its contracts with those suppliers.

12.4 All ownership interest in a party's facilities and associated Equipment used in connection with the Services shall at all times remain with that party. If any Customer Equipment is used to provide the Service, Customer grants AT&T a non-transferable and non-exclusive license to use such Customer Equipment in the manner necessary to provide the Service.

13.0 IMPORT/EXPORT CONTROL

13.1 The parties acknowledge that equipment, products, Software, and technical information (including, but not limited to, technical assistance and training) provided under this Agreement may be subject to import or export laws, conventions or regulations, and any use or transfer of the equipment, products, Software, and technical information must be in compliance with all such laws, conventions and regulations. The parties will not use, distribute, transfer, or transmit the equipment, products, Software, or technical information (even if incorporated into other products) except in compliance with such laws, conventions and regulations. If requested by either party, the other party agrees to sign written assurances and other documents as may be required to comply with such laws, conventions and regulations.

13.2 In the event any necessary import or export license cannot be obtained within six (6) months after making an application, neither party shall have further obligations with respect to providing or purchasing and, if applicable, Customer shall return the equipment, products, Software, or technical information that is the subject matter of the unsuccessful application.

14.0 INTELLECTUAL PROPERTY RIGHTS

All intellectual property in all Services shall be the sole and exclusive property of AT&T or its suppliers.

15. GENERAL PROVISIONS

15.1 Any supplement to or modification or waiver of any provision of this Agreement must be in writing and signed by authorized representatives of both parties. A waiver by either party of any breach of this Agreement shall not operate as a waiver of any other breach of this Agreement.

15.2 This Agreement may not be assigned by either party without the prior written consent of the other, except that either party may, without the other party's consent, assign in whole or in relevant part this Agreement or any Attachment to a present or future Affiliate or successor, provided that any such assignment shall be contingent upon the assignor remaining responsible for the performance of its assignee and AT&T determining Customer's assignee(s) to be creditworthy and in compliance with any eligibility criteria for the Services. AT&T may subcontract work to be performed under this Agreement, but shall retain responsibility for all such work. In countries in which AT&T does not have an Affiliate to provide Service, AT&T may assign its rights and obligations related to a Service provided in such a country to the local service provider; provided however, that AT&T shall be responsible to Customer for such obligations. In some such countries, Customer may be required to contract directly with the local service provider.

15.3 If any portion of this Agreement is found to be invalid or unenforceable or if, notwithstanding Section 15.6, applicable law mandates a different interpretation or result, the remaining provisions shall remain in effect and the parties shall negotiate in good faith to substitute for such invalid, illegal, or unenforceable provision a mutually acceptable provision consistent with the original intention of the parties.

15.4 Any legal action arising in connection with this Agreement must begin within two (2) years after the cause of action arises.

15.5 Any required notices under this Agreement shall be in writing and shall be deemed validly delivered if sent by hand (in which case delivery will be deemed to have been effected immediately), or by overnight mail (in which case delivery will be deemed to have been effected one (1) business day from the date of mailing), or by first class pre-paid post (in which case delivery will be deemed to have been effected five (5) days from the date of posting), or by facsimile or electronic transmission (in which case delivery will be deemed to have been effected on the day the transmission was sent). Any such notice shall be sent to the office of the recipient set forth on the cover page of this Agreement or such other office or recipient as designated in writing from time to time.

General Terms and Conditions

15.6 Unless local law would require otherwise, the construction, interpretation and performance of this Agreement shall be governed by the substantive law of the State of New York, excluding its choice of law rules, and applicable laws and regulations of the United States of America. The United Nations Convention on Contracts for International Sale of Goods shall not apply. The parties consent to the exclusive jurisdiction of the courts located in New York City, USA.

15.7 This Agreement does not provide any third party (including Users) with any remedy, claim, liability, reimbursement, cause of action or other right or privilege.

15.8 The respective obligations of Customer and AT&T, which by their nature would continue beyond the termination or expiration of any Attachment, Pricing Schedule or this Agreement, including, without limitation, the obligations regarding Use of Information, Publicity and Marks, Further Responsibilities and Limitations of Liability, shall survive termination or expiration.

15.9 The authentic language of this Agreement is English. In the event of a conflict between this Agreement and any translation, the English version will take precedence.

15.10 THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SERVICES. THIS AGREEMENT SUPERSEDES ALL PRIOR AGREEMENTS, PROPOSALS, REPRESENTATIONS, STATEMENTS OR UNDERSTANDINGS, WHETHER WRITTEN OR ORAL CONCERNING THE SERVICES, OR THE RIGHTS AND OBLIGATIONS RELATING TO THE SERVICES. THIS AGREEMENT SHALL NOT BE MODIFIED, OR SUPPLEMENTED BY ANY WRITTEN OR ORAL STATEMENTS, PROPOSALS, REPRESENTATIONS, ADVERTISEMENTS, SERVICE DESCRIPTIONS OR CUSTOMER'S PURCHASE ORDER FORMS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT, A PRICING SCHEDULE OR AN ATTACHMENT.

AT&T Comprehensive Service Order Attachment

Customer Entity ("Customer")	AT&T Entity ("AT&T")
City of Novi	AT&T Corp.
Customer Address	AT&T Address
45175 W 10 Mile Rd Novi, MI 48375	One AT&T Way Bedminster, New Jersey 07921-0752
Customer Contact	AT&T Contact
Name: Rob Petty Title: CIO Telephone: 248-735-5605 Fax: Email: rpetty@cityofnovi.org	AT&T Internet Services Contract Management FAX Number: 800-235-7527 Email: mast@att.com

The Comprehensive Service Order Attachment attached hereto is a part of the Agreement between AT&T and Customer referenced above.

AT&T Comprehensive Service Order Attachment**1. THE SERVICE; DEFINITIONS****1.1 Services**

A. AT&T will provide the Services to Customer under this Attachment that are identified in the applicable Pricing Schedules.

B. The pricing, service descriptions and other provisions relating to the Services will be as set forth in: (i) this Attachment (including, the Pricing Schedules and any Addenda to this Attachment); (ii) the Agreement's General Terms and Conditions; and (iii) the appropriate section of the Service Guide or the Applicable Tariffs.

C. This Attachment shall remain in effect until no Service Component provided under this Attachment remains in service.

1.2 Definitions

Capitalized terms used but not defined in this Attachment are defined elsewhere in the Agreement.

"Applicable Tariffs" consist of the standard AT&T service descriptions, pricing and other provisions filed by AT&T or any of its Affiliates with the appropriate regulatory commission having jurisdiction respecting a Service, as revised from time to time. In the event an Applicable Tariff is withdrawn by AT&T or tariffing is no longer permitted or required by the appropriate regulatory commission, references to the Applicable Tariff shall be deemed to refer to the corresponding applicable provisions of the Service Guide.

"Effective Date" of a Pricing Schedule is the date on which the last party signs this Attachment or, for a subsequently added Pricing Schedule, the date on which the last party signs the Pricing Schedule. If the rules of a regulatory authority having jurisdiction respecting a Service would require a later date, the Effective Date of the applicable Pricing Schedule shall be in accordance with such rules.

"MARC (Minimum Annual Revenue Commitment)" means an annual revenue commitment set forth in an applicable Pricing Schedule that Customer agrees to satisfy during a Pricing Schedule Term.

"MARC-Eligible Charges" means, unless the applicable Pricing Schedule indicates otherwise, the recurring and usage charges, after applicable discounts and credits, incurred by Customer for the Services identified in the applicable Pricing Schedule as MARC-contributing. Notwithstanding anything set forth in a Pricing Schedule, the following charges shall not be deemed MARC Eligible Charges: (a) charges for or in connection with Purchased Equipment; (b) charges for outsourcing services; (c) taxes, and (d) charges imposed in connection with governmentally imposed costs or fees (such as USF, PICC, payphone

service provider compensation, E911 and deaf relay charges).

"Pricing Schedule" means a pricing schedule to this Attachment.

"Pricing Schedule Term" is the period of time stated in the applicable Pricing Schedule.

"Service" means collectively all of the Service Components Customer orders under a Pricing Schedule.

"Service Guide" means the standard AT&T service descriptions, pricing and other provisions, as revised by AT&T from time to time, relating to Services offered under this Attachment (if there is no Applicable Tariff). The Service Guide is located at <http://www.serviceguide.att.com/ABS/ext> or <http://www.att.com/abs/serviceguide> or such other AT&T designated location.

"Termination Charges" means the charges identified in Sections 2.3 and 2.4 below, payable by Customer in certain termination circumstances.

2. TERMINATION

2.1 If a Service or a Service Component is terminated, Customer must pay all charges incurred as of the effective date of termination.

2.2. If Customer terminates a Service or a Service Component for material breach, Customer shall not be liable for any Termination Charges.

2.3 If Customer terminates a Service Component other than as set out under Section 2.2 above or AT&T terminates a Service or a Service Component for material breach, Customer must pay: (i) any credits, waived charges or unpaid amortized charges if the Service Component is terminated prior to the end of an applicable minimum retention period (specified in the Pricing Schedule, the Service Guide or the Applicable Tariffs); (ii) the applicable amount of recurring charges for the terminated Service Component multiplied by the number of months remaining in an applicable minimum payment period (specified in the Pricing Schedule, the Service Guide or the Applicable Tariffs); and (iii) any access facilities cancellation charges and other third-party charges incurred by AT&T due to the termination. The charges set forth in (i) and (ii) above will not apply if a terminated Service Component is replaced with an upgraded like Service Component at the same Site(s), provided the applicable minimum period and associated charge for the replacement Service Component are each equal to or greater than the applicable period and charge for the terminated Service Component.

2.4 In the event of a termination of a Pricing Schedule either by Customer other than as set out in Section 2.2 above or by

AT&T Comprehensive Service Order Attachment

AT&T for material breach, Customer must pay: (i) a Termination Charge equal to 50% of the unsatisfied MARC for the year of the Pricing Schedule Term in which the Pricing Schedule is terminated plus 50% of the MARC for each year remaining in the Pricing Schedule Term; and (ii) the amounts set forth in Section 2.3, above.

3. MINIMUM COMMITMENTS/CHARGES

If, on any anniversary of a Pricing Schedule Term start date, the Customer has failed to satisfy the MARC for the preceding 12 month period, the Customer will be billed a shortfall charge in an amount equal to the difference between the MARC and the total of the applicable MARC-Eligible Charges incurred during the 12 month period. In such a case, Customer shall not be entitled to receive promotional, compliance or other credits until Customer pays the shortfall charge.

4. PRICING**4.1 Pricing Schedule**

Unless otherwise stated in a Pricing Schedule, the rates and charges stated in the Pricing Schedule are stabilized until the end of the Pricing Schedule Term and apply in lieu of the corresponding rates and charges set forth in the Service Guide or the Applicable Tariffs. Pricing for any Service Components that are not listed in a Pricing Schedule will be as described in the Service Guide or the Applicable Tariffs or as agreed on an individual case basis. Unless otherwise stated in a Pricing Schedule, after the end of the Pricing Schedule Term AT&T may modify the rates, charges, terms and conditions applicable to the Service covered by such Pricing Schedule on thirty (30) days' prior notice.

4.2 Discounts

The discounts set forth or referenced in a Pricing Schedule are the only discounts applicable to the Services and will be applied to the applicable rates and charges in the manner and to the extent specified in the applicable sections of the Service Guide or the Applicable Tariffs.

4.3 Promotions/Credits/Waivers

Customer is eligible only for promotions, credits or waivers identified in the applicable Pricing Schedule. Unless otherwise stated in the applicable Pricing Schedule, any additional promotions, credits or waivers set out in the Service Guide or an Applicable Tariff will not apply.

4.4 Charges

Regardless of any stabilization of rates or charges that may appear in this Attachment or in a Pricing Schedule, AT&T reserves the right to increase charges as a result of: (i) expenses incurred by AT&T reasonably relating to regulatory assessments stemming from an order, rule or regulation of the Federal Communications Commission or

other regulatory authority or court having competent jurisdiction (including but not limited to payphone, PICC and USF related expenses and E911 and deaf relay charges); or (ii) in the case of local exchange Services and voice over Internet protocol applications and Services, the price or availability of network elements used in the provision of the Services, amounts other carriers are required to pay to AT&T or the amount AT&T is required to pay to other carriers in connection with the provision of the Services to Customer under an applicable Pricing Schedule.

5. COMMISSION JURISDICTION

If a Pricing Schedule is subject to the jurisdiction of a regulatory commission, each such Pricing Schedule will be subject to changes or modifications as the controlling commission may direct from time to time in the exercise of its jurisdiction. Therefore, for this purpose, each such Pricing Schedule will be deemed to be a separate agreement with respect to the Services offered in a particular jurisdiction.

6. ELIGIBILITY/OTHER REQUIREMENTS

If a Pricing Schedule providing regulated telecommunications services that are subject to the jurisdiction of a United-States-based regulatory authority is available to other potential purchasers of the service, it will be available to such purchasers who execute an identical Pricing Schedule only once, either by the purchaser or any Affiliate of the purchasing entity.



AT&T MA Reference No. _____
 AT&T PS Reference No. _____

**AT&T Managed Internet Service
 Pricing Schedule**

CSM080813090050

Customer Entity ("Customer")	AT&T Entity ("AT&T")	AT&T Sales Contact Name <input type="checkbox"/> Primary Contact
City of Novi	AT&T Corp.	DAVID K CLARK
Customer Address	AT&T Corp. Address and Contact	AT&T Sales Contact Information
45175 W 10 Mile Rd Novi, MI 48375	One AT&T Way Bedminster, NJ 07921-0752 Attn: Email: mast@att.com Fax: 908-325-0222	23500 NORTHWESTERN HWY BLDG W SOUTHFIELD, MI 48075 Telephone: 2489058823 Fax: 248-483-3219 Email: dc7936@mwmmail.att.com Branch Manager: Maggi, Jeff Sales Strata: ABS Sales
Customer Contact	AT&T Address and Contact (if signing entity other than AT&T Corp.)	AT&T Authorized Agent Information (if applicable) <input type="checkbox"/> Primary Contact
Name: Rob Petty Title: CIO Telephone: 248-735-5605 Fax: Email: rpetty@cityofnovi.org CUSTOMER Account Number or Master Account Number:		Name: Company Name: Telephone: Fax: Email: Agent Code:

This Pricing Schedule is part of the Agreement between AT&T and Customer referenced above.

AGREED:

Customer

By: _____
 (Authorized Agent or Representative)

 (Typed or Printed Name)

 (Title)

 (Date)

AGREED:

AT&T

By: _____
 (Authorized Agent or Representative)

 (Typed or Printed Name)

 (Title)

 (Date)

AT&T Managed Internet Service – Pricing Schedule

For AT&T Administrative Use Only	
Master Agreement No.	_____
Pricing Schedule No.	_____
Original Effective Date:	_____
Amended Effective Date:	_____

1. SERVICES

- AT&T Managed Internet Service
- AT&T Private Network Transport (PNT) Service is an option of MIS and can be ordered as an MPLS PNT feature under Section I, Tables 13 and 14.
 - AT&T's Acceptable Use Policy is located at <http://www.att.com/aup> or such other AT&T-designated location.

2. PRICING SCHEDULE TERM AND EFFECTIVE DATES

Pricing Schedule Term	Term Start Date
36 Months	Effective Date of this Pricing Schedule or the date that the initial Service Component is enabled for Customer use, whichever is later

Effective Date of Rates and Discounts	Effective Date of this Pricing Schedule
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3. MINIMUM PAYMENT PERIOD

Portion of Monthly Service Fees Applicable to Minimum Payment Period	Service Components	Minimum Payment Period
50%	All Service Components	Until end of Pricing Schedule Term, but not less than 12 months per component

AT&T Managed Internet Service – Pricing Schedule

For AT&T Administrative Use Only

Master Agreement No. _____
 Pricing Schedule No. _____
 Original Effective Date: _____
 Amended Effective Date: _____

4. RATES (US Mainland, HI and Alaska[†] only)

[†] Service in Alaska requires a separate AT&T Addendum for Service in Alaska. The rates stated in this Pricing Schedule apply to Service locations and/or Service Components in Alaska only in the event that a Service Component and/or Service location is not listed in the Addendum for Service in Alaska. In the event of the conflict between this Pricing Schedule and the Addendum for Service in Alaska, the Addendum for Service in Alaska controls.

NOTE 1: MIS w/ Managed Router Option 2 available only as described in the Service Guide.

NOTE 2: If Customers orders the MPLS PNT feature under Section I, Tables 13 and 14 as part of the MIS service, Customer will be billed for PNT transport and uplifts and all applicable taxes will be stated on the Customer's invoice.

NOTE 3: The charges for the Class of Service (CoS) feature set forth in Section I, Table 9 and 10 are waived for Sites at which Customer also maintains AT&T Business Voice over IP (VoIP) Service.

(*) = not available with MPLS PNT
 ICB = available only on an Individual Case Basis.
 N/A = Not Available

**Section I: AT&T Managed Internet Service
 Access Bandwidth -**

Table 1: Tiered T-1, NxT-1, E-1 And Frame

Access Method	Speed	MIS Monthly Service Fee List Price	MIS w/ Managed Router Monthly Service Fee List Price	MIS w/ Managed Router Option 2 Monthly Service Fee List Price	Discount
N/A	56/64 Kbps	\$190	\$260	N/A	N/A
T-1	128 Kbps	\$225	\$295	\$285	N/A
T-1	256 Kbps	\$280	\$350	\$340	N/A
T-1	384 Kbps	\$335	\$405	\$395	N/A
T-1	512 Kbps	\$390	\$460	\$450	N/A
T-1	768 Kbps	\$410	\$480	\$470	N/A
T-1 – Frame*	1024 Kbps	\$425	\$495	\$485	N/A
T-1	T-1	\$470	\$540	\$530	40.0 %
E-1*	E-1	\$470	\$540	N/A	N/A
2xT-1	3 Mbps	\$850	\$1,145	N/A	N/A
3xT-1	4.5 Mbps	\$1,100	\$1,395	N/A	N/A
4xT-1	6 Mbps	\$1,250	\$1,545	N/A	N/A
5xT-1	7.5 Mbps	\$1,480	\$2,360	N/A	N/A
6xT-1	9 Mbps	\$1,715	\$2,595	N/A	N/A
7xT-1	10.5 Mbps	\$1,915	\$2,795	N/A	N/A
8xT-1	12 Mbps	\$2,190	\$3,070	N/A	N/A

v.2.3.05

AT&T Managed Internet Service – Pricing Schedule

For AT&T Administrative Use Only	
Master Agreement No.	_____
Pricing Schedule No.	_____
Original Effective Date:	_____
Amended Effective Date:	_____

Table 2: Burststable T-1

Discount: : N/A

Sustained Usage	Undiscounted MIS Monthly Service Fee	Undiscounted MIS w/Managed Router Monthly Service Fee	Undiscounted MIS w/Managed Router Option 2 Monthly Service Fee
up to 128kbps	\$270	\$340	\$330
128.01 - 256 Kbps	\$340	\$410	\$400
256.01 - 384 Kbps	\$405	\$475	\$465
384.01 - 512 Kbps	\$470	\$540	\$530
512.01 Kbps - 1,544 Mbps	\$565	\$635	\$625

v.2.3.05

Table 3: DNS Services

Option	Monthly Service Fee
Additional Primary DNS (available in increments of up to 15 zones with a maximum of 150 Kilobytes of zone file data)	\$100 per DNS increment
Additional Secondary DNS (available in increments of up to 15 zones with a maximum of 150 Kilobytes of zone file data)	\$100 per DNS increment

v.07.01.04

Table 4: Multiple Access Redundancy Option (MARO) - Burststable T-1 with Shadow Billing Option

Discount: N/A

Sustained Usage	MIS w/Managed Router Undiscounted Monthly Service Fee	MIS w/Managed Router Option 2 Undiscounted Monthly Service Fee
Up to 56 Kbps For MARO Redundant Link Service Only (Shadow Billing)	\$170	\$160
up to 128kbps	\$340	\$330
128.01 - 256 Kbps	\$410	\$400
256.01 - 384 Kbps	\$475	\$465
384.01 - 512 Kbps	\$540	\$530
512.01 Kbps - 1,544 Mbps	\$635	\$625

v.2.20.06

Table 5: MARO Features - Monthly Service Fees

Option	Monthly Service Fee List Price	Service Component Discount
Alternate Backbone Node Option - additional charges via Private Line, per Service Component	T-1: \$500	N/A
	NxT1: \$500 per T-1	
CPE Redundant Configuration Option - Per Service Component	T-1: \$120	N/A
	NxT-1: \$350	
Backbone Node Redundancy Option - additional charges via Private Line, per Redundant Link	\$500 per T-1 Redundant Link	N/A
Outbound Load Balancers (2) (Dual Managed Customer Routers)	T1 & NXT-1: \$350	N/A

v.2.3.05

Table 6: MARO Features - Installation Fees (ICB Only)

Discount: 0.0 %

Option	Undiscounted Installation Fee List Price MIS, MIS w/Managed Router, & MIS w/ Managed Router Option 2
MARO - Outbound Load Balancers (2) (Dual Managed Customer Routers)	\$1000

v.2.6.05

Table 7: MIS Tele-- Installation

Discount: 100.0 %

MIS Speed	Undiscounted MIS	Undiscounted MIS w/ Managed Router	Undiscounted MIS w/ Managed Router Option 2
56 Kbps	\$1,000	\$1,000	\$1,000
128 Kbps - 1.5 Mbps	\$1,000	\$1,000	\$1,000
NxT-1	\$2,500	\$2,500	\$2,500

v.12.10.07

AT&T Managed Internet Service – Pricing Schedule

For AT&T Administrative Use Only

Master Agreement No. _____
 Pricing Schedule No. _____
 Original Effective Date: _____
 Amended Effective Date: _____

Table 8: On-Site Installation

Discount: 0.0 %

MIS Speed	Undiscounted MIS w/ Managed Router Only	Undiscounted MIS w/ Managed Router Option 2 Only
56 Kbps	\$999	\$999
128 Kbps - 1.5 Mbps	\$999	\$999
NxT-1	\$999	\$999

v.12.10.07

Table 9: Class Of Service Option - Tiered T-1 and Burstable Service - Monthly Service Fees

Discount: N/A

Speed	Class of Service Monthly Fee – List Price (w/ or w/out Managed Router, including Managed Router Option 2, except as indicated)
56 Kbps†	\$225
128 Kbps†	\$225
256 Kbps†	\$225
384 Kbps†	\$225
512 Kbps†	\$225
768 Kbps	\$225
1024 Kbps*	\$225
1.5 Mbps	\$225
2xT-1 (3 Mbps)	\$225
3xT-1 (4.5 Mbps)	\$225
4xT-1 (6 Mbps)	\$225
5xT-1 (7.5 Mbps)	\$225
6xT-1 (9 Mbps)	\$225
7xT-1 (10.5 Mbps)	\$225
8xT-1 (12 Mbps)	\$225

(†) no real-time class available
 v.6.1.06

Table 10: Class Of Service Option - Installation Fees

Discount: N/A

Class of Service Undiscounted Installation Fee	\$1,000
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v.2.3.05

Table 11: MIS+NCS Option (ICB Only)

Discount: N/A

Feature	Undiscounted Monthly Service Fee MIS Only
MIS + NCS Site License Fee (3 yr)	\$1,200
MIS + NCS Site License Fee (5 yr)	\$1,050
MIS + NCS Tier 1 Support	\$100

v.04.29.02

v.12.10.07 ps_mis_t1_no_security_svcs_20060528.rtf (standard)

Table 12: MIS + NCS Installation Fees (ICB Only)

Discount: 0.0 %

Feature	Undiscounted Installation Fee List Price MIS
MIS + NCS Site Preparation Fee	\$2,500

v.2.3.05

Table 13: MPLS PNT Feature

Discount: : N/A

Access Method	Speed	Undiscounted Monthly Service Fee MIS, MIS w/Managed Router, and MIS w/ Managed Router Option 2
Private Line Fractional T-1 (56K – 768K)**	Fractional T-1 (56K – 768K)**	\$200
Private Line NxT-1 (2 through 8)	Private Line NxT-1 (3 Mbps – 12 Mbps)	\$200
Private Line T1	T-1 (1.54 Mbps)	\$200

** (1024K not available with MPLS PNT)
 v.9/28/05

Table 14: MPLS PNT UniLink Feature

Discount: N/A

Access Method	Speed	Undiscounted Monthly Service Fee MIS PNT, and MIS PNT with Managed Router
Private Line T-1	T-1 (1.54 Mbps) Burstable T1	\$200

v.04.15.05

Table 15: MultiCast Monthly Service Fee

N/A

MultiCast Monthly Service Fee	ICB
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Table 16: MultiCast Installation

N/A

MultiCast Installation Fee	ICB
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Section II: Additional Service Fees

Moving Fee (during hours)	\$1,000 per location
Additional Moving Fee (outside standard operating hours – 8:00 a.m. to 5:00 p.m. Monday through Friday)	Additional \$500 per location

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AT&T PEG Community TV Overview

AT&T U-verseSM TV

AT&T is currently offering its AT&T U-verse TV service, an IP-based (Internet Protocol) video entertainment experience, in a number of cities across the country and plans to introduce service in more markets in the coming months.

AT&T U-verse TV offers customers a compelling variety of TV and Internet packages to customize their entertainment experience. AT&T customers can choose from five basic TV packages – U100, U200, U300 and U400 – and a unique family-friendly programming package, U-family, which includes the best family oriented TV channels.

AT&T's service also includes video-on-demand titles for all ages as well as offering a variety of flexible HD, movie, sports, and Spanish language programming options.

AT&T's PEG Solution

AT&T is committed to carrying Public, Educational and Governmental (PEG) programming over its AT&T U-verse TV service. Because AT&T's U-verse service is based on IP, which is fundamentally the common language of the Internet, AT&T U-verse TV allows AT&T to develop applications that can integrate content from the Internet such as a "stream" of live video, and deliver the content to the end user's television via the U-verse set top box.

AT&T will use IP streaming capability to deliver PEG programming. Delivering PEG in this manner will enable cities to take advantage of IP-based video capabilities, now and in the future. For example, AT&T's PEG solution will give cities the opportunity to make PEG programming accessible to U-verse subscribers as well as viewers over the public Internet via a dedicated URL/IP address.

AT&T's PEG solution enables U-verse subscribers to view PEG programs made available by their own city and by neighboring communities as well. In addition, cities will potentially be able to provide archived content on an "on-demand" basis in the future.

"Live PEG Streams"

Municipalities will need to provide the PEG content in a signal form that is compatible with AT&T's U-verse TV platform. This means that the city will need to place equipment at the PEG content origination source that "captures" the live feed (i.e., from the city's existing PEG channel) and performs an analog-to-digital conversion to re-encode the content in MS Windows Media 9 format.

The city will then need to deliver the properly encoded PEG content stream to the Internet via a dedicated URL/IP address and/or directly to a designated point of presence on AT&T's network. AT&T will then "link" to that content source and carry it over AT&T's U-verse TV service.

AT&T will provide a designated PEG program location on its U-verse channel guide (i.e., channel 99). This channel can be selected using the remote control in two ways, either the subscriber can enter "99", or by selecting "U-verse Menu", the "Live TV" option appears and the subscriber will see the option Government, Education and Public Access which when selected will auto-tune to the PEG application. Either selection will activate the PEG application and the subscriber will be presented with a screen that lists the PEG programming offered by their city and by cities in the surrounding area. The end user may then choose to watch programs provided by either their own city or by other participating cities. AT&T will work with the city to determine the menu display at the time of PEG implementation.

The following is a list of the technical attributes of AT&T's Internet Sourced PEG service:

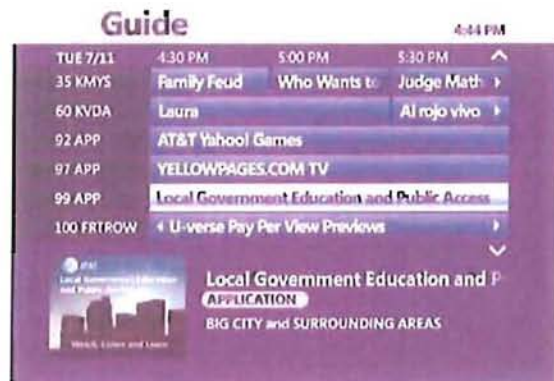
- The encoding format is Microsoft MS Windows Media 9 at a data rate of 1.25 Mbps per stream/channel. Transport may be obtained from AT&T and/or a third party transport provider, or in some instances could be derived from existing facilities depending upon available bandwidth.
- AT&T only provides the conduit for transport of the PEG content to U-verse subscribers. AT&T will have no role in the acquisition or creation of the PEG content, nor will it exercise any production or editorial control over the content. The city/municipality will be responsible for all PEG content, including the acquiring of any appropriate rights and licenses necessary to allow transmission by AT&T throughout the designated market area and ensuring viewer suitability of content.
- AT&T will provide an administrative tool to allow the city or its designee to create text (e.g., titles or labels) for each live stream of PEG content describing the programming that will in turn be used for display in AT&T's PEG application.



Description: Administrative screen that will be provided to cities to list streams of PEG content to be made available on AT&T's U-verse TV

Screen Samples

The following are samples of U-verse PEG screens. PEG content selections will be accessed from one convenient location on the programming guide (i.e., channel 99).

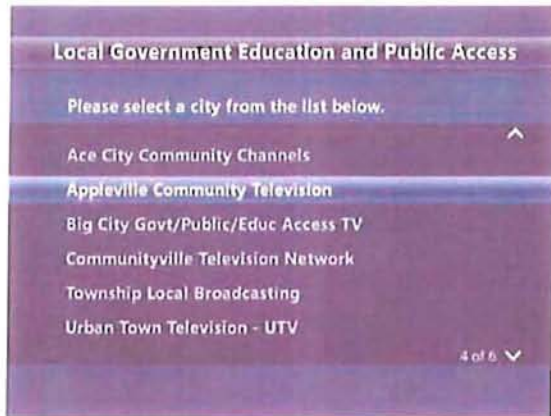


Description: Sample AT&T U-verse Program Guide



Description: Sample AT&T U-verse Main Menu - Live TV

When an AT&T U-verse subscriber selects the channel number corresponding to the PEG application, it will launch and become activated. Next, a list of the various cities offering PEG content will be presented to the end user as illustrated below:



Description: City Selection Menu on AT&T's PEG application listing multiple municipalities offering PEG content

Upon selection of an individual municipality, the PEG application will then transition to a subsequent screen that lists the various PEG channels available by the selected city



Description: City Viewport screen listing PEG content offered by the selected city

This example demonstrates the flexibility of IPTV to blend web and video applications.

User Interface

Upon selection of an individual stream offered by the municipality, the video image corresponding to the stream will then be enlarged to a full-zoom view such as shown below.



Description: Full zoom view of PEG content