

ORDINANCE NO. 2018-106

AN ORDINANCE AUTHORIZING THE PURCHASE OF THE VIPER EMERGENCY TELEPHONE SYSTEM UPGRADE FROM WEST INDUSTRIES INCLUDING FIVE YEARS SUPPORT AND MAINTENANCE FROM AT&T IN A FIRST YEAR AMOUNT NOT TO EXCEED \$215,000 AND TO WAIVE THE COMPETITIVE BIDDING PROCESS

WHEREAS, the Village of Vernon Hills, County of Lake, State of Illinois (*"the Village"*) is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is operating under the provisions of the Illinois Municipal Code; and

WHEREAS, The Village operates a public safety communications center that provides emergency telephone communications to several other Villages utilizing a VIPER system provided by West Industries and maintained by AT&T, and

WHEREAS, the existing system has been in place for many years, been periodically updated as needed, and now is becoming harder to maintain and reaching end of life, and

WHEREAS, given the proprietary nature of the software which operates the system, the institutional knowledge of the vendor with the Village's particular system and unique programming and capabilities of the system to meet the Village's needs, it is important to maintain continuity of the provider of these services; and

WHEREAS, staff recommends waiving the competitive bidding process and contracting with West Industries to update the VIPER system and AT&T to continue providing support and maintenance; and

WHEREAS, expenditures over \$25,000 require Board of Trustees approval.

NOW THEREFORE BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: EXECUTION OF AGREEMENT: The Village Manager is hereby authorized to execute all required documents to purchase the VIPER upgrade and maintenance agreements from West Industries and AT&T at a combined cost not to exceed \$215,000, subject to approval by the Village Attorney.

SECTION 2: AUTHORIZATION & RELEASE OF PAYMENT: The Finance Director is hereby authorized to make payment to West Industries in an amount not to exceed \$175,500 and to make payment to AT&T in an amount not to exceed \$35,000 per the attached quotes and contracts in Exhibit A.

SECTION 3: EFFECTIVE DATE: This Ordinance shall be in full force and effect from its passage and approval.

SECTION 4: ORDINANCE NUMBER: This Ordinance shall be known as Ordinance Number 2018-106.

Dated the 19th of June 2018

Adopted by roll call vote as follows:

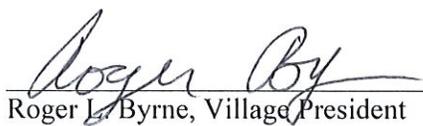
AYES: 5- Hebda, Schultz, Marquardt, Oppenheim, Koch

NAYS: 1 - None

ABSENT AND NOT VOTING: 1 - Takaoka

PASSED: June 19, 2018
APPROVED: June 19, 2018
ATTEST: June 20, 2018


Mark Fleischhauer, Village Clerk


Roger L. Byrne, Village President

VILLAGE OF VERNON HILLS

ORDINANCE NO. 2018-106

AN ORDINANCE AUTHORIZING THE PURCHASE OF THE VIPER EMERGENCY TELEPHONE SYSTEM UPGRADE FROM WEST INDUSTRIES INCLUDING FIVE YEARS SUPPORT AND MAINTENANCE FROM AT&T IN A FIRST YEAR AMOUNT NOT TO EXCEED \$215,000 AND TO WAIVE THE COMPETITIVE BIDDING PROCESS

THE 19th DAY OF JUNE 2018

Published in pamphlet form by the Authority of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, this 19th Day of June 2018

AFFIDAVIT OF SERVICE

STATE OF ILLINOIS)
)
COUNTY OF LAKE)

I, MARK FLEISCHHAUER, BEING FIRST DULY APPOINTED, DEPOSES AND SAYS ON OATH THAT AS VILLAGE CLERK OF THE VILLAGE OF VERNON HILLS, HE DID CAUSE THE FOREGOING CERTIFICATE ORDINANCE NO. 2018-106 - AN ORDINANCE AUTHORIZING THE PURCHASE OF THE VIPER EMERGENCY TELEPHONE SYSTEM UPGRADE FROM WEST INDUSTRIES INCLUDING FIVE YEARS SUPPORT AND MAINTENANCE FROM AT&T IN A FIRST YEAR AMOUNT NOT TO EXCEED \$215,000 AND TO WAIVE THE COMPETITIVE BIDDING PROCESS TO BE POSTED IN THE VILLAGE HALL AS REQUIRED BY LAW FROM JUNE 26, 2018 TO JULY 10, 2018.

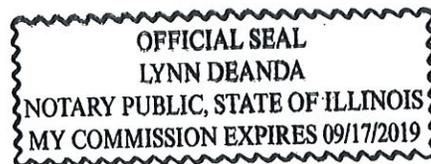


Mark Fleischhauer
Village Clerk

SUBSCRIBED AND SWORN TO BEFORE
THIS 19th DAY OF JUNE 2018



Notary Public



ORDINANCE 2018-106
EXHIBIT A: QUOTES AND CONTRACTS



AT&T Public Safety Equipment Resale and Related Services
Pricing Schedule for 911 CPE Call Handling

MA Reference No.: 154942UA
Pricing Schedule No.: _____

CUSTOMER Legal Name ("Customer")	AT&T Corp. on its own behalf and on behalf of its service providing affiliates ("AT&T")	AT&T Branch Sales Contact Name
Vernon Hills Police Department	AT&T Corp. on its own behalf and on behalf of its service providing affiliates	Name: Craig Bennett
CUSTOMER Address	AT&T Corp. Address and Contact	AT&T Branch Sales Contact Information
740 N. Lakeview Parkway Vernon Hills IL USA 60061	One AT&T Way Bedminster, NJ 07921-0752 Attn: Master Agreement Support Team E-mail: mast@att.com	240 North Meridian Street Room 1670 Indianapolis IN USA 46151 Phone : 317-997-9705 Email : cb7368@att.com Sales/Branch Manager: Nash SCVP Name: Stacy Schwartz
CUSTOMER Contact		AT&T Contact Information
Name: James Dunning Title: IT Coordinator Telephone: 847-247-4895 Fax: 847-549-8028 Email: jdunning@vhills.org		Name: Craig Bennett Address: 240 North Meridian Street Room 1670 City: Indianapolis State / Province: IN Country: USA Domestic / Intl / Zip Code: 46024 Telephone: 317-997-9705 Email: cb7368@att.com
Alternate Contact Name: Patrick Kreis Title: Chief Telephone: 847-362-4449 Fax: 847-549-8028 E-mail: pkreis@vhills.org		

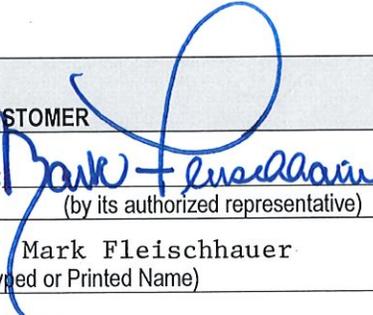
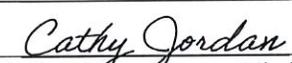
This Pricing Schedule is part of the Agreement between AT&T and Customer referenced above. In the case of a conflict, the descending order of priority for the documents in this Pricing Schedule is Sub-Rider B3, the other applicable Sub-Riders, the applicable Rider and the General Terms.

This Pricing Schedule signed by AT&T first, is effective upon Customer signature provided that such fully signed Pricing Schedule is returned to AT&T not more than forty-five (45) days after AT&T's signature date. Any change made to this document renders the Pricing Schedule null and void.

Rider A – Purchased Equipment

Rider B – AT&T-Provided Services

- Sub-Rider B1 – AT&T-Provided 911 Voice Maintenance
- Sub-Rider B2 – AT&T-Provided 911 Voice Warranty Services
- Sub-Rider B3 – AT&T 911 Call Handling Equipment and Services

CUSTOMER	AT&T Corp. on its own behalf and on behalf of its service providing affiliates
By:  (by its authorized representative)	By:  (by its authorized representative)
Mark Fleischhauer (Typed or Printed Name)	(Typed or Printed Name) Cathy Jordan
(Title) Village Manager	(Title) Sr Mgr Customer Contracts
(Date) June 26, 2018	(Date) 18 JUNE 2018 cd4230

**GENERAL TERMS APPLICABLE TO
AT&T PUBLIC SAFETY EQUIPMENT RESALE AND RELATED SERVICES**

1. SERVICES AND PURCHASED EQUIPMENT

- "Purchased Equipment" – means equipment (including Software) sold and Software separately sold by AT&T to Customer pursuant to this Pricing Schedule. "Purchased Equipment" includes replacement hardware and Software provided in connection with AT&T-Provided Maintenance and Warranty Services.
- "Software" – means software purchased separately or software included with the equipment purchased, pursuant to this Pricing Schedule.
- "Services" – per applicable Riders and Sub-Riders.

2. QUOTE

AT&T may provide a quote for the price of Purchased Equipment or Services to Customer ("Quote") or include such information in a Statement of Work ("SOW"). Such Quote will expire thirty (30) days after the date of the Quote, unless a different time period for expiration is stated in the Quote. All such pricing is applicable only to the project or purchase specified in such Quote unless stated otherwise in the SOW or Sub-Rider.

3. ORDERS

(a) Order means an order for Purchased Equipment or Services, including Statements of Work and requests to change an Order, that Customer submits to AT&T in writing (or other method specifically authorized by AT&T). AT&T reserves the right not to accept any Order. Except for information required by AT&T to fulfill the Order, no terms and conditions, or other language contained in any Customer-supplied document or purchase order shall apply.

(b) Telephone Orders may be accepted for moves, adds, or changes to Purchased Equipment that do not require design engineering support from AT&T or the supplier and can be ordered off the shelf without being configured or designed with other components.

4. TAX EXEMPTION

Customer must present a tax exemption certificate to AT&T, valid in the place of delivery, prior to or with an Order to receive exemption status.

5. TERMINATION

(a) Either party may terminate this Pricing Schedule upon thirty (30) days' prior written notice, except that all work under any outstanding Orders will be completed unless one party notifies the other otherwise in writing.

(b) Customer may terminate an Order on five (5) days prior written notice. AT&T may recover all amounts owing under the Order for any time, materials and expenses incurred through the effective date of termination, and any third party charges resulting from the termination.

6. LIMITATION OF LIABILITY

(a) EACH PARTY'S LIABILITY SHALL BE LIMITED TO PROVEN DIRECT DAMAGES NOT TO EXCEED PER CLAIM (OR IN THE AGGREGATE FOR CLAIMS ARISING DURING ANY TWELVE MONTH PERIOD) TWICE THE NET PURCHASE PRICE OF THE PURCHASED EQUIPMENT OR SERVICES IN THE ORDER GIVING RISE TO THE LIABILITY. THE LIMITATION IN THIS SECTION SHALL NOT LIMIT CUSTOMER'S RESPONSIBILITY FOR THE PAYMENT OF ALL PROPERLY DUE CHARGES.

(b) Except for AT&T-Provided Service, AT&T SHALL HAVE NO DUTY TO DEFEND, INDEMNIFY, OR HOLD CUSTOMER HARMLESS FROM OR AGAINST ANY SETTLEMENTS, DAMAGES, COSTS AND OTHER AMOUNTS INCURRED BY CUSTOMER ARISING FROM THE ACTUAL OR ALLEGED INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY BASED ON OR INVOLVING EQUIPMENT, SOFTWARE OR SERVICES FURNISHED UNDER THIS PRICING SCHEDULE.

7. PURCHASED EQUIPMENT WARRANTY AND LIMITATION ON USE

(a) AT&T shall pass through to Customer any warranties available from Purchased Equipment manufacturers or licensors. The manufacturer or licensor and not AT&T is responsible for any such warranties.

(b) Except as set out in Section 7(a), ALL PURCHASED EQUIPMENT IS PROVIDED TO CUSTOMER ON AN "AS IS" BASIS. AT&T DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, NON-INTERFERENCE, ACCURACY OF INFORMATIONAL CONTENT, OR ANY WARRANTY ARISING BY USAGE OF TRADE OR COURSE OF DEALING). These disclaimers shall apply even if the express warranties from equipment manufacturers or licensors fail of their essential purpose.

8. MAINTENANCE CHARGES

AT&T may invoice maintenance charges in full in advance of the term for AT&T-Provided and Manufacturer-Provided maintenance services. Such maintenance charges are non-refundable.

Rider A – Purchased Equipment

1. AVAILABILITY AND DELIVERY SCHEDULE

AT&T's delivery of Purchased Equipment is contingent upon the availability and the delivery schedule of the manufacturer or supplier. AT&T can not guarantee availability or firm delivery dates. Purchased Equipment is deemed accepted by Customer upon passage of title and risk of loss.

2. TITLE AND RISK OF LOSS

Title to and risk of loss of Purchased Equipment passes to Customer on delivery by manufacturer or supplier to a carrier for shipment; provided that if AT&T also provides Services (other than Warranty Services or Maintenance Services) in connection with the Purchased Equipment, title and risk of loss passes to Customer on delivery to Customer.

3. SHIPPING AND STORAGE

(a) Shipping Charges.

(i) Standard Fee for AT&T-provided shipping: One percent (1%) of the total purchase price for the Purchased Equipment (other than Software) shipped.

(ii) Customer may request in an Order to be invoiced by the carrier of its choice by providing AT&T the identification of the shipper, Customer's account information, and method of shipment.

(iii) If Customer requires overnight shipping, Customer should make such a request in writing and AT&T will quote the pricing associated with such delivery on a case by case basis.

(b) Storage Charges. Any storage charges for Purchased Equipment following transfer of title and risk of loss are the sole responsibility of Customer and are not included in shipping charges.

4. INVOICING; CREDIT TERMS

AT&T may invoice Customer for Purchased Equipment upon delivery to the carrier. AT&T retains a lien and purchase money security interest in each item of Purchased Equipment and Software until Customer pays all sums due. AT&T is authorized to sign and file a financing statement to perfect such security interest.

5. PURCHASED EQUIPMENT RETURNS

(a) Warranty Returns. If Purchased Equipment requires return during its respective warranty period, and the manufacturer or supplier determines such Purchased Equipment qualifies for a return, AT&T will obtain a Return Material Authorization ("RMA") and instructions from the manufacturer or supplier. Upon AT&T providing the RMA to Customer, Customer will return the Purchased Equipment according to the manufacturer's or supplier's policies and instructions.

(b) Non-defective Returns. If Customer seeks to return Purchased Equipment that is non-defective or not otherwise covered by a warranty, Customer must contact AT&T in time for AT&T to obtain an RMA with instructions from the manufacturer or supplier within fifteen (15) days following delivery of such Purchased Equipment to the ship-to address in the applicable Order; however, if the Purchased Equipment is delivered to an AT&T staging facility prior to delivery to the ship-to address, Customer must contact AT&T within fifteen (15) days following notice to Customer of delivery to the staging facility. Any such return shall be at the sole discretion of the manufacturer or supplier. If the return is authorized, Customer will be responsible for payment of any associated return or restocking fee, return shipping costs, and risk of loss of the Purchased Equipment. Notwithstanding the foregoing, ONCE AT&T'S CONFIGURATION OF PURCHASED EQUIPMENT FOR USE BY CUSTOMER HAS COMMENCED, NON-DEFECTIVE RETURN IS NOT AVAILABLE.

(c) Maintenance Returns. To return Purchased Equipment covered by a maintenance service, Customer must contact the applicable maintenance service provider to obtain an RMA and instructions.

6. MANUFACTURER-PROVIDED SERVICES

Manufacturer-Provided Services identified in Customer's Order with the manufacturer's stock-keeping unit number are provided directly to Customer by the manufacturer under a separate agreement between Customer and the manufacturer. Customer shall assent to and comply with the terms of the agreement with the manufacturer. AT&T is not a party to that agreement. AT&T's sole responsibility is to place Customer's orders for Manufacturer-Provided Services, except that AT&T may invoice Customer for the Manufacturer-Provided Services.

7. LICENSES, RESTRICTIONS, REQUIREMENTS

(a) Software is provided subject to the terms of the Software licensor's license agreement which is a separate agreement between Customer and the licensor. Customer must assent to and comply with the license agreement.

(b) Purchased Equipment may be subject to additional requirements or restrictions imposed by manufacturer or licensor. Customer must assent to and comply with all such requirements or restrictions.

Rider B – AT&T-Provided Services

1. SERVICE

- Per applicable Sub-Rider
- Services have an end date and do not continue under a month-to-month service arrangement after the end of a term unless specifically identified as such in the applicable Sub-Rider.

2. INTELLECTUAL PROPERTY RIGHTS

(a) All intellectual property rights used in providing, or arising by virtue of AT&T's performance, of the Services are and will be the sole and exclusive property of AT&T, and neither ownership nor title to any such property will pass to Customer.

(b) Customer shall own copies of any reports produced and furnished to Customer by AT&T ("Reports"), and AT&T grants Customer a perpetual, non-exclusive, personal and non-transferable right to reproduce and modify Reports solely for Customer's own internal business purposes. For avoidance of doubt, "internal business purposes" exclude public distribution, resale to third parties and revenue generation purposes.

(c) AT&T grants to Customer the non-exclusive, personal, and non-transferable right to use any items other than Reports produced and furnished to Customer by AT&T under this Pricing Schedule, solely (i) for Customer's own internal business purposes during the term of this Pricing Schedule or (ii) for such other purposes as may be agreed in writing by the parties.

(d) Except as otherwise specified in this Pricing Schedule, no other right or license to or under any of AT&T's intellectual property rights is either granted or implied under this Pricing Schedule.

3. WORKMANSHIP

The provision of Services under this Pricing Schedule shall be performed in a workmanlike manner that would meet commercial industry standards in the field to which the work pertains. AT&T's obligation under this Section expires upon Customer's acceptance of the Services.

4. INDEPENDENT CONTRACTOR

AT&T is an independent contractor for the Services performed under Pricing Schedule.

5. ACCEPTANCE

Upon completion of professional and implementation Services ("Service Completion Date"), Customer either shall sign the acceptance document AT&T presents or shall provide within five (5) Business Days of the Service Completion Date written notice to AT&T identifying any non-conforming professional or implementation Service. "Business Day" means Monday through Friday, excluding AT&T-recognized holidays. If Customer fails to provide such notice, Customer is deemed to have accepted the Service as of the Service Completion Date. AT&T may invoice Customer for professional and implementation Services upon acceptance.

6. NON-SOLICITATION

Customer agrees not to directly solicit for employment any personnel of AT&T or its subcontractors or agents performing Services hereunder until one (1) year following the completion or termination of applicable Order pursuant to which the Services were performed without the prior written consent of AT&T.

7. DELAYS

If there is a delay in providing Services that was not caused by AT&T, Customer may incur additional labor or other charges. AT&T shall not be liable for such a delay. Such a delay may also impact future schedules.

8. REMOTE ACCESS TO EQUIPMENT

Customer shall provide remote access to equipment during installation and maintenance for trouble isolation, monitoring and resolution. Customer may satisfy this requirement: (i) by providing in-band or out-of-band connection; (ii) providing technical personnel on Site; or (iii) as otherwise described in the applicable Service Guide.

9. EQUIPMENT STORAGE

On the premises where the Services are being performed, AT&T or its subcontractors may store, at no charge, a reasonable amount of equipment, materials, tools and other items necessary for the performance of Services in a secure location provided by Customer ("Storage Location"). Customer will take reasonable precautions to protect and maintain the integrity of any such items. Customer agrees to accept delivery of any such items, to place them or direct their placement in the Storage Location and to notify AT&T of the delivery and Storage Location.

10. SERVICES SUPPLIER

If an AT&T supplier necessary for the delivery of Services ceases to provide all or a portion of such Services, either Party may terminate the affected portion of the Services, and Customer will receive a pro-rata refund of any amounts prepaid for such terminated Services.

Rider B1 – AT&T-Provided 911 Voice Maintenance Services

1. SERVICES; SERVICE PUBLICATIONS

Service	Service Publication Location
AT&T 911 Voice Maintenance Solutions ("911VMS")	<i>Pending Approval</i>

AT&T provides AT&T 911 Voice Maintenance Solutions Services ("Maintenance Services") for certain equipment ("Supported Equipment"), in accordance with this Pricing Schedule, the applicable SOW and the applicable Service Guide. Supported Equipment covered by Maintenance Services is specified in an SOW or the Service Guide.

2. CERTIFICATION AND REVIEWS

(a) Manufacturer's Certification for Supported Equipment. If an item of equipment is not covered by the manufacturer's warranty or by a manufacturer-approved maintenance service immediately before AT&T begins providing the Maintenance Service for the equipment, Customer must provide a manufacturer's certification that equipment is in working order and eligible to be included in a maintenance plan.

(b) Changes in Supported Equipment covered by Maintenance Services. AT&T may conduct periodic equipment reviews for additions or deletions of Supported Equipment that is being maintained, and will make any appropriate adjustments to Maintenance Services.

(c) Neither Customer nor any party other than AT&T or its designated agents may alter, repair, or maintain any Supported Equipment.

3. MAINTENANCE TERM AND RENEWAL

The term for Maintenance Services (the "Maintenance Term") and level of Maintenance Service are set forth in the applicable Order. UNLESS EITHER PARTY TERMINATES BY WRITTEN NOTICE ON COMPANY LETTERHEAD WITH A HANDWRITTEN SIGNATURE AT LEAST THIRTY (30) BUSINESS DAYS PRIOR TO EXPIRATION OF THE THEN-CURRENT MAINTENANCE TERM, AND IF THE LEVEL OF MAINTENANCE SERVICE REFLECTED IN SUCH ORDER REMAINS AVAILABLE UNDER THE APPLICABLE SERVICE PUBLICATION AT TIME OF RENEWAL, THE MAINTENANCE TERM WITH REGARD TO SUCH ORDER AUTOMATICALLY RENEWS: (I) FOR VOICE SUPPORTED EQUIPMENT, FOR AN ADDITIONAL ONE (1) YEAR. AT&T MAY, AT THE COMMENCEMENT OF ANY RENEWAL MAINTENANCE TERM, CHANGE THE PRICE OF SERVICE UPON AT LEAST THIRTY (30) DAYS PRIOR WRITTEN NOTICE.

4. PRICE CHANGES

AT&T also may change the price of Maintenance Services on written notice for Supported Equipment at the time it is changed, upgraded or added.

5. REPLACEMENT PRODUCTS; END-OF-SUPPORT; RETURN OF DEFECTIVE EQUIPMENT

(a) Spare parts and equipment ("Replacement Products") may be new or reconditioned if equivalent to new in performance. AT&T's provision of Replacement Products during the Maintenance Term is contingent upon the delivery schedule of the manufacturer or supplier. AT&T has no liability for delays in any delivery schedule. AT&T cannot guarantee firm delivery dates.

(b) If an item of Supported Equipment is discontinued or placed at end-of-life or end-of-support status by the manufacturer, AT&T shall only be obligated to use commercially reasonable efforts to obtain replacement parts and provide Maintenance Service for the item of Supported Equipment for which additional charges may apply or AT&T may delete such item of Supported Equipment from Maintenance Services and provide a pro-rata refund.

(c) AT&T will provide an RMA number for defective Supported Equipment ("Defective Item"). Customer shall return the Defective Item within thirty (30) days after the date of the RMA, or Customer will be invoiced, and shall pay, for the corresponding Replacement Product. Defective Items are the property of AT&T upon delivery to the carrier.

6. EXCLUSIONS FOR AT&T-PROVIDED MAINTENANCE SERVICES.

(a) AT&T will perform Maintenance Services only for damage to, substandard performance of or failure of Supported Equipment resulting only from Supported Equipment defects or normal wear and tear ("Covered Maintenance").

(b) Covered Maintenance does not include hardware defects or software failures resulting from any cause whatsoever not attributable to AT&T, including, but not limited to: (i) mishandling, abuse, misuse, improper storage, improper installation, improper maintenance, improper electrical voltage or current or improper operation (including use in conjunction with equipment electrically or mechanically incompatible); (ii) accident; (iii) theft; (iv) force majeure events, including, fire, explosion (other than fire or explosion directly attributable to a Supported Equipment defect), power failure, lightning or other induced power surge, flood, wind, war, terrorism, virus and acts of God; (v) Customer-caused programming errors in software or applications; (vi) Customer-performed system configurations; (vii) Customer's failure to maintain a proper operating environment, to back up its data or to secure its network environment; (viii) Customer's failure to follow manufacturer/licensor recommendations; and, (ix) repair, relocation, damage or alteration of the Supported Equipment by anyone other than AT&T or its designated agents. Supported Equipment supporting IP telephony may experience certain compromises in performance, reliability and security even when performing as warranted; diagnostic and repair work in response to such compromises is not included in Covered Maintenance.

(c) Diagnostic and repair work AT&T performs outside of Covered Maintenance is invoiced at AT&T's prevailing rates for time and materials.

Rider B2 – AT&T-Provided 911 Voice Warranty Services

1. WARRANTY SERVICES

- (a) AT&T Warranty Services, as described in this Sub-Rider, apply to Purchased Equipment used in 911 CPE call handling solutions purchased from and installed by AT&T. Purchased Equipment covered by AT&T Warranty Services is specified in a SOW or the Service Guide. Basic Warranty Service is provided without additional charge. AT&T may invoice in full for warranty upgrades in advance of the Warranty Period.
- (b) The standard "Warranty Period" is one (1) year from installation of the Purchased Equipment. The Warranty Period will not restart or increase due to or as a result of any repair, replacement or move of or addition or change to any Purchased Equipment.
- (c) During the Warranty Period, if the Purchased Equipment other than Software does not conform to the manufacturer's warranty, Customer shall notify AT&T of such nonconformance. AT&T shall, at AT&T's sole option, repair or replace any non-conforming, warranted hardware.
- (d) During the specified Warranty Period, if any item of Software that is properly installed and operating on the Purchased Equipment for which it is originally licensed does not conform to the Software warranty or if the media on which the Software is provided is defective in materials or workmanship under normal use, Customer shall notify AT&T of such nonconformance. AT&T shall, at AT&T's sole option, (i) provide a suitable fix, patch, or workaround any non-conforming warranted Software; or (ii) will replace at no charge any non-conforming warranted Software media if it is delivered to carrier for shipment to AT&T during the Warranty Period along with proof of date of shipment to Customer.
- (e) If AT&T determines that any remedy set forth in Section 1(c) or 1(d) is not reasonably available, then AT&T may issue a refund, at its sole option, of an amount (e.g., using Customer's federal income tax depreciation schedule) based upon: (i) the price paid by Customer in the case of defective warranted hardware, or (ii) the one-time fee paid in the case of defective warranted Software.

2. REPLACEMENT PRODUCTS; RETURN OF DEFECTIVE EQUIPMENT

- (a) Spare parts and equipment ("Replacement Products") may be new or reconditioned if equivalent to new in performance. AT&T's provision of Replacement Products during the Warranty Period is contingent on the delivery schedule of the manufacturer or supplier. AT&T has no liability for delays in any delivery schedule. AT&T can not guarantee firm delivery dates. If an item of Purchased Equipment is placed at end-of-life status by the manufacturer, AT&T shall only be obligated to use commercially reasonable efforts to provide Replacement Products for an item of Purchased Equipment.
- (b) AT&T will provide an RMA number for a defective warranted hardware ("Defective Item"). Customer shall return the Defective Item within thirty (30) days after the RMA is generated, or Customer will be invoiced for the corresponding Replacement Product. Defective Items are the property of AT&T. If the returned warranted hardware is found not to be defective, Customer will be charged for the Replacement Products at Customer's current price.

3. EXCLUSIONS FOR AT&T WARRANTY SERVICES.

- (a) AT&T will perform AT&T Warranty Services only for damage to, substandard performance of or failure of Supported Equipment resulting only from Supported Equipment defects or normal wear and tear ("Covered Work").
- (b) Covered Work does not include hardware defects or software failures resulting from any cause whatsoever not attributable to AT&T, including, but not limited to: (i) mishandling, abuse, misuse, improper storage, improper installation, improper maintenance, improper electrical voltage or current or improper operation (including use in conjunction with equipment electrically or mechanically incompatible); (ii) accident; (iii) theft; (iv) force majeure events, including fire, explosion (other than fire or explosion directly attributable to a Supported Equipment defect), power failure, lightning or other induced power surge, flood, wind, war, terrorism, and acts of God; (v) Customer-caused programming errors in software or applications; (vi) Customer-performed system configurations; (vii) Customer's failure to maintain a proper operating environment, to back up its data or to secure its network environment; (viii) Customer's failure to follow manufacturer/licensor recommendations; and, (ix) repair, relocation, damage or alteration of the Supported Equipment by anyone other than AT&T or its designated agents. Supported Equipment supporting IP telephony may experience certain compromises in performance, reliability and security even when performing as warranted; diagnostic and repair work in response to such compromises is not included in Covered Work.
- (c) Diagnostic and repair work AT&T performs outside of Covered Work is invoiced at AT&T's prevailing rates for time and materials.

Sub-Rider B3 – AT&T 911 Call Handling Equipment and Services

SERVICE

This Sub-Rider B-3 for AT&T 911 Call Handling Equipment and Services covers AT&T's sale of voice Purchased Equipment (referred to as Purchased Equipment, Equipment or CPE in this Sub-Rider) installation and/or maintenance Service for such Purchased Equipment to be provided by AT&T under the Maintenance Plan as set forth herein (the "Maintenance Plan"), and as further described below. The Purchased Equipment is identified in this Sub-Rider or in the attached or referenced Bill of Materials, or Order. This Sub-Rider also covers any Orders issued hereunder or in a SOW issued under this Sub-Rider, as well as any additions or replacement to the Purchased Equipment or Service.

I. Service Order Information and Payment Terms

***Taxes & Freight will be listed separately on the invoice. Total Purchase Price does not include maintenance.**

Rates and Charges

Non-Recurring Charges

Site Name	Address	City	State	Quantity of Positions	Non-Recurring Costs
Vernon Hills Police Department	740 N. Lakeview Pky	Vernon Hills	IL	7	\$175,227.00
					\$
					\$
					\$
					\$
					\$
					\$
					\$
					\$
Total Non-Recurring Charge					\$

Recurring Rates

Service Type	Payment Period (Monthly/Annual)	Term (in months)	Recurring Costs
			\$
			\$
			\$
			\$
Total Recurring Rate			\$

Payment Terms:

- Locations to be invoiced and billed after each installation and customer acceptance.
- 100% of equipment and services at acceptance of services
- Equipment & Services Detail as per quote dated: Insert Date of Quote

Leasing: AT&T Capital Services Other: (Name of Leasing Company) No

Purchase Order Number:

Sub-Rider B3 – AT&T 911 Call Handling Equipment and Services

SELECTION OF EQUIPMENT SERVICE PLAN:

AT&T 911 Voice Maintenance Solutions*: Essential Plus Custom Customer Initials: _____ (Required)
* Customer must select either Essential Plus or Custom in order to receive maintenance services under this Pricing Schedule.

Initial Term: 5 Years From: _____ To: _____ Annual Price: \$ 18,701.77
Service Plan Payment Terms (default is annual): Prepay Annual Financing: (Name of Leasing Company)

NOTE: Hardware Maintenance Services commence at system installation/cutover.

TERMINATION PRICING ADJUSTMENTS: If Customer terminates AT&T 911 Voice Maintenance Solutions in whole or in part, including reduction in service level, Customer, depending on the payment terms, either shall be (a) invoiced fifty percent (50%) of the fees 30 days from the date AT&T received written notice of termination to the expiration of the maintenance term plus any non-recoverable and third party costs incurred by AT&T; or (b) credited fifty percent (50%) of fees paid for the terminated Service less any non-recoverable and third party costs.

Manufacturer-Provided Maintenance Services: OEM: West

Name of Service: Software Support

Coverage Level: _____
ACCEPT - Customer Initials: _____ DECLINE - Customer Initials: _____

Initial Term: 5 Years From: _____ To: _____ Annual Price: \$16,793.47
Service Plan Payment Terms: Prepay Annual Financing: (Name of Leasing Company)

NOTE: Software Support Services commence when Equipment is shipped from supplier/distributor.

TERMINATION PRICING ADJUSTMENTS: If Customer terminates Manufacturer-Provided Maintenance Service in whole or in part, the remaining unused portion of the maintenance fees is non-refundable, either by way of cash or credits.

Remittance for invoices rendered by AT&T Global Services for Service Plans should be to AT&T Global Services.

Attachments:

- 1. Statements of Work e.g. SOW, SCOW, PIG
- 2. Bill of Materials for Equipment and Services
- 3. Invoicing Schedule and Payment Terms
- 4. Implementation Timeline
- 5. Certificate of Acceptance
- 6. Other: [_____]

II. Special Terms and Conditions for PSAP – LAN Configurations or Installations

CUSTOMER WARRANTS TO AT&T AND ALL 911 EMERGENCY SERVICE USERS THAT THE 911 EQUIPMENT AND/OR SERVICES BEING PROVIDED HEREUNDER, OR PREVIOUSLY SUPPLIED BY AT&T, IS NOT CONNECTED AND WILL NOT BE CONNECTED TO ANY LOCAL AREA NETWORK ("LAN") OR ANY OTHER COMPUTER NETWORK OUTSIDE OF AT&T'S CONTROL, INCLUDING WITHOUT LIMITATION THE NATIONAL CRIME INFORMATION CENTER NETWORK ("CIC") OR SIMILAR NETWORK; PROVIDED, HOWEVER, THAT CUSTOMER MAY CONNECT SAID EQUIPMENT AND/OR SERVICES TO THE CIC OR SIMILAR NETWORK IF AND ONLY IF SUCH CONNECTION IS EXPRESSLY APPROVED IN WRITING BY AT&T, WHICH APPROVAL SHALL BE IN AT&T'S SOLE DISCRETION. AT&T RELIES ON THIS REPRESENTATION BY CUSTOMER IN AGREEING TO INSTALL AND/OR MAINTAIN SAID EQUIPMENT AND ALL SERVICES THEREON.

AT&T MAINTAINS A STRICT POLICY ("PSAP NETWORK SECURITY POLICY") THAT IT WILL INSTALL 911 EQUIPMENT ONLY IN A SECURE PSAP LAN, AND ONLY WHERE SUCH LANS ARE NOT CONNECTED TO ANY OTHER COMPUTER NETWORK OUTSIDE OF AT&T'S CONTROL. AT&T WILL NOT INSTALL OR TERMINATE A PSAP LAN TO A FIREWALL. AT&T WILL IDENTIFY THE DEMARCATION POINT FOR THE PSAP LAN, BEYOND WHICH CUSTOMER AGREES THAT AT&T IS NOT RESPONSIBLE. IN THE EVENT CUSTOMER CONNECTS ITS PSAP LAN TO ANY OTHER COMPUTER NETWORK, CONTRARY TO AT&T'S EXPRESS PSAP NETWORK SECURITY POLICY (WHICH CUSTOMER ACKNOWLEDGES IT HAS RECEIVED AND READ), AND THE PSAP LAN IS INFECTED OR DAMAGED AS A RESULT OF SUCH ACTIONS, THEN ALL WARRANTIES, AND MAINTENANCE AND SERVICE PROVISIONS OF THIS AGREEMENT SHALL BE NULL AND VOID AND AT&T DISCLAIMS ANY LIABILITY WHATSOEVER RELATING TO ANY PSAP LAN WHICH CUSTOMER OR ITS AGENTS CONNECT TO ANY OTHER COMPUTER NETWORK CONTRARY TO THE PSAP NETWORK SECURITY POLICY.

UNDER SUCH CIRCUMSTANCES, AT&T WILL PROVIDE REPAIR SERVICES FOR THE PSAP LAN AT CUSTOMER'S REQUEST, WHICH WILL BE BILLED ON A TIME AND MATERIALS BASIS AT AT&T'S THEN-PREVAILING SERVICES RATES. CUSTOMER FURTHER AGREES TO INDEMNIFY AND HOLD AT&T HARMLESS FOR ANY DAMAGES TO OR CLAIMS BY ANY THIRD PARTY AGAINST AT&T WHICH ARISE IN WHOLE OR IN PART FROM CUSTOMER'S CONNECTION OF THE 911 EQUIPMENT AND/OR SERVICES BEING PROVIDED HEREUNDER TO ANY LAN OR ANY OTHER COMPUTER NETWORK OUTSIDE OF AT&T'S CONTROL, INCLUDING WITHOUT LIMITATION THE NATIONAL CIC.



MASTER AGREEMENT

Customer	AT&T
Vernon Hills Police Department Street Address: 740 N. Lakeview Parkway City: Vernon Hills State/Province: IL Zip Code: 60061 Country: USA	AT&T Corp.
Customer Contact (for notices)	AT&T Contact (for notices)
Name: James Dunning Title: IT Coordinator Street Address: 740 N. Lakeview Parkway City: Vernon Hills State/Province: IL Zip Code: 60061 Country: USA Telephone: 847-247-4895 Fax: 847-247-8028 Email: jdunning@vhills.org	AT&T Attn: Craig Bennett Street Address: 240 North Meridian Street Room 1670 City: Indianapolis State/Province: IN Zip Code: 46204 Country: USA With a copy to: AT&T Corp. One AT&T Way Bedminster, NJ 07921-0752 ATTN: Master Agreement Support Team Email: mast@att.com

This Master Agreement ("Master Agreement"), between the customer named above ("Customer") and the AT&T entity named above ("AT&T"), is effective when signed by both Customer and AT&T.

This Master Agreement signed by AT&T first, is effective upon Customer signature provided that such fully signed Master Agreement is returned to AT&T not more than forty-five (45) days after AT&T's signature date. Any change made to this document renders the Master Agreement null and void.

Customer (by its authorized representative)	AT&T (by its authorized representative)
By: 	By: 
Name: Mark Fleischhauer	Name: Cathy Jordan
Title: Village Manager	Title: Sr Mgr Customer Contracts
Date: June 26, 2018	Date: 18 JUNE 2018 cd4230

MASTER AGREEMENT

1. INTRODUCTION

1.1 **Overview of Documents.** This Master Agreement and the following additional documents (collectively, the "Agreement") shall apply to all products and services AT&T provides Customer pursuant to this Agreement ("Services") and shall continue in effect so long as Services are provided under this Agreement:

- (a) **Pricing Schedules.** A "Pricing Schedule" means a pricing schedule (including related attachments) or other document that is attached to or is later executed by the parties and references this Master Agreement. A Pricing Schedule includes the Services, the pricing (including discounts and commitments, if applicable) and the pricing schedule term ("Pricing Schedule Term").
- (b) **Tariffs and Guidebooks.** "Tariffs" are documents containing the descriptions, pricing and other terms and conditions for a Service that AT&T or its Affiliates file with regulatory authorities. "Guidebooks" are documents (designated as Guidebooks or Price Lists) containing the descriptions, pricing and other terms and conditions for a Service that were but no longer are filed with regulatory authorities. Tariffs and Guidebooks can be found at att.com/servicepublications or other locations AT&T may designate.
- (c) **Acceptable Use Policy.** AT&T's Acceptable Use Policy ("AUP") applies to (i) Services provided over or accessing the Internet and (ii) wireless (*i.e.*, cellular) data and messaging Services. The AUP can be found at att.com/aup or other locations AT&T may designate.
- (d) **Service Guides.** The descriptions, pricing and other terms and conditions for a Service not covered by a Tariff or Guidebook may be contained in a Service Guide, which can be found at att.com/servicepublications or other locations AT&T may designate.

1.2 **Priority of Documents.** The order of priority of the documents that form this Agreement is: the applicable Pricing Schedule or Order; this Master Agreement; the AUP; and Tariffs, Guidebooks and Service Guides; provided that Tariffs will be first in priority in any jurisdiction where applicable law or regulation does not permit contract terms to take precedence over inconsistent Tariff terms.

1.3 **Revisions to Documents.** Subject to Section 8.2(b) (Materially Adverse Impact), AT&T may revise Service Publications at any time.

1.4 **Execution by Affiliates.** An AT&T Affiliate or Customer Affiliate may sign a Pricing Schedule in its own name, and such Affiliate contract will be a separate but associated contract incorporating the terms of this Agreement. Customer and AT&T will cause their respective Affiliates to comply with any such separate and associated contract.

2. AT&T DELIVERABLES

2.1 **Services.** AT&T will either provide or arrange to have an AT&T Affiliate provide Services to Customer and its Users, subject to the availability and operational limitations of systems, facilities and equipment. Where required, an AT&T Affiliate authorized by the appropriate regulatory authority will be the service provider. If an applicable Service Publication expressly permits placement of an order for a Service under this Master Agreement without the execution of a Pricing Schedule, Customer may place such an order using AT&T's standard ordering processes (an "Order"), and upon acceptance by AT&T, the Order shall otherwise be deemed a Pricing Schedule under this Master Agreement for the Service ordered.

2.2 **AT&T Equipment.** Services may be provided using equipment owned by AT&T that is located at the Site ("AT&T Equipment"), but title to the AT&T Equipment will remain with AT&T. Customer must provide adequate space and electric power for the AT&T Equipment and keep the AT&T Equipment physically secure and free from liens and encumbrances. Customer will bear the risk of loss or damage to the AT&T Equipment (other than ordinary wear and tear), except to the extent caused by AT&T or its agents.

2.3 **Purchased Equipment.** Except as specified in a Service Publication, title to and risk of loss of Purchased Equipment shall pass to Customer on delivery to the transport carrier for shipment to Customer's designated location.

2.4 **License and Other Terms.** Software, Purchased Equipment and Third-Party Services may be provided subject to the terms of a separate license or other agreement between Customer and either the licensor, the third-party service provider or the manufacturer. Customer's execution of the Pricing Schedule for or placement of an Order for Software, Purchased Equipment or Third-Party Services is Customer's agreement to comply with such separate agreement. Unless a Service Publication specifies otherwise, AT&T's sole responsibility with respect to Third-Party Services is to place Customer's orders for Third-Party Services, except that AT&T may invoice and collect payment from Customer for the Third-Party Services.

3. CUSTOMER'S COOPERATION

3.1 **Access Right.** Customer will in a timely manner allow AT&T access as reasonably required for the Services to property and equipment that Customer controls and will obtain at Customer's expense timely access for AT&T as reasonably required for the Services to property controlled by third parties such as Customer's landlord. AT&T will coordinate with and, except in an emergency, obtain Customer's consent to enter upon Customer's property and premises, which consent shall not be unreasonably withheld. Access rights mean the right to construct, install, repair, maintain, replace and remove access lines and network facilities and the right to use ancillary equipment space within a building for Customer's connection to AT&T's network. Customer must provide AT&T timely information and access to Customer's facilities and equipment as AT&T reasonably requires for the Services, subject to Customer's reasonable security policies. Customer will furnish any conduit, holes, wireways, wiring, plans, equipment, space, power/utilities and other items as AT&T

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reasonably requires for the Services and will obtain any necessary licenses, permits and consents (including easements and rights-of-way). Customer will have the Site ready for AT&T to perform its work according to a mutually agreed schedule.

3.2 Safe Working Environment. Customer will ensure that the location at which AT&T installs, maintains or provides Services is a safe working environment, free of Hazardous Materials and reasonably suitable for the Services. "Hazardous Materials" mean any substance or material capable of posing an unreasonable risk to health, safety or property or whose use, transport, storage, handling, disposal or release is regulated by any law related to pollution, to protection of air, water or soil or to health and safety. AT&T shall have no obligation to perform work at a location that is not a suitable and safe working environment or to handle, remove or dispose of Hazardous Materials.

3.3 Users. "User" means anyone who uses or accesses any Service provided to Customer. Customer will cause Users to comply with this Agreement and is responsible for Users' use of any Service unless expressly provided to the contrary in an applicable Service Publication.

3.4 Resale of Services. Customer may not resell the Services or rebrand the Services for resale to third parties without AT&T's prior written consent.

4. PRICING AND BILLING

4.1 Pricing and Pricing Schedule Term; Terms Applicable After End of Pricing Schedule Term. The prices listed in a Pricing Schedule are stabilized until the end of the Pricing Schedule Term and will apply in lieu of the corresponding prices set forth in the applicable Service Publication. No promotion, credit, discount or waiver set forth in a Service Publication will apply. Unless the Pricing Schedule states otherwise, at the end of the Pricing Schedule Term, Customer may continue Service (subject to any applicable notice or other requirements in a Service Publication for Customer to terminate a Service Component) under a month-to-month service arrangement at the prices, terms and conditions in effect on the last day of the Pricing Schedule Term. AT&T may change such prices, terms or conditions on 30 days' prior notice to Customer.

4.2 Additional Charges and Taxes. Prices set forth in a Pricing Schedule are exclusive of and Customer will pay all taxes (excluding those on AT&T's net income), surcharges, recovery fees, customs clearances, duties, levies, shipping charges and other similar charges (and any associated interest and penalties resulting from Customer's failure to timely pay such taxes or similar charges) relating to the sale, transfer of ownership, installation, license, use or provision of the Services, except to the extent Customer provides a valid exemption certificate prior to the delivery of Services. To the extent required by law, Customer may withhold or deduct any applicable taxes from payments due to AT&T, provided that Customer will use reasonable commercial efforts to minimize any such taxes to the extent allowed by law or treaty and will furnish AT&T with such evidence as may be required by relevant taxing authorities to establish that such tax has been paid so that AT&T may claim any applicable credit.

4.3 Billing. Unless a Service Publication specifies otherwise, Customer's obligation to pay for a Service Component begins upon availability of the Service Component to Customer. Customer will pay AT&T without deduction, setoff or delay for any reason (except for withholding taxes as provided in Section 4.2 - Additional Charges and Taxes or in Section 4.5 - Delayed Billing; Disputed Charges). At Customer's request, but subject to AT&T's consent (which may not be unreasonably withheld or withdrawn), Customer's Affiliates may be invoiced separately, and AT&T will accept payment from such Affiliates. Customer will be responsible for payment if Customer's Affiliates do not pay charges in accordance with this Agreement. AT&T may require Customer or its Affiliates to tender a deposit if AT&T determines, in its reasonable judgment, that Customer or its Affiliates are not creditworthy, and AT&T may apply such deposit to any charges owed.

4.4 Payments. Payment is due within 30 days after the date of the invoice (unless another date is specified in an applicable Tariff or Guidebook) and must refer to the invoice number. Charges must be paid in the currency specified in the invoice. Restrictive endorsements or other statements on checks are void. Customer will reimburse AT&T for all costs associated with collecting delinquent or dishonored payments, including reasonable attorneys' fees. AT&T may charge late payment fees at the lowest of (a) 1.5% per month (18% per annum), (b) for Services contained in a Tariff or Guidebook at the rate specified therein, or (c) the maximum rate allowed by law for overdue payments.

4.5 Delayed Billing; Disputed Charges. Customer will not be required to pay charges for Services initially invoiced more than 6 months after close of the billing period in which the charges were incurred, except for calls assisted by an automated or live operator. If Customer disputes a charge, Customer will provide notice to AT&T specifically identifying the charge and the reason it is disputed within 6 months after the date of the invoice in which the disputed charge initially appears, or Customer waives the right to dispute the charge. The portion of charges in dispute may be withheld and will not be considered overdue until AT&T completes its investigation of the dispute, but Customer may incur late payment fees in accordance with Section 4.4 (Payments). Following AT&T's notice of the results of its investigation to Customer, payment of all properly due charges and properly accrued late payment fees must be made within ten (10) business days. AT&T will reverse any late payment fees that were invoiced in error.

4.6 Credit Terms. AT&T retains a lien and purchase money security interest in each item of Purchased Equipment and Vendor Software until Customer pays all sums due. AT&T is authorized to sign and file a financing statement to perfect such security interest.

4.7 MARC. Minimum Annual Revenue Commitment ("MARC") means an annual revenue commitment set forth in a Pricing Schedule that Customer agrees to satisfy during each 12-consecutive-month period of the Pricing Schedule Term. If Customer fails to satisfy the

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MARC for any such 12-month period, Customer will pay a shortfall charge in an amount equal to the difference between the MARC and the total of the applicable MARC-Eligible Charges incurred during such 12-month period, and AT&T may withhold contractual credits until Customer pays the shortfall charge.

4.8 Adjustments to MARC.

- (a) 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 Services, or a reduction of AT&T's prices, or a force majeure event, any of which significantly impairs Customer's ability to meet a MARC, AT&T will offer to adjust the affected MARC to reflect Customer's reduced usage of Services (with a corresponding adjustment to the prices, credits or discounts available at the reduced MARC level). If the parties reach agreement on a revised MARC, AT&T and Customer will amend the affected Pricing Schedule prospectively. This Section 4.8 will not apply to a change resulting from Customer's decision to use service providers other than AT&T. Customer will provide AT&T notice of the conditions Customer believes will require the application of this provision. This provision does not constitute a waiver of any charges, including monthly recurring charges and shortfall charges, Customer incurs prior to amendment of the affected Pricing Schedule.
- (b) If Customer, through merger, consolidation, acquisition or otherwise, acquires a new business or operation, Customer and AT&T may agree in writing to include the new business or operation under this Agreement. Such agreement will specify the impact, if any, of such addition on Customer's MARC or other volume or growth discounts and on Customer's attainment thereof.

5. CONFIDENTIAL INFORMATION

5.1 **Confidential Information.** Confidential Information means: (a) information the parties or their Affiliates share with each other in connection with this Agreement or in anticipation of providing Services under this Agreement (including pricing or other proposals), but only to the extent identified as Confidential Information in writing; and (b) except as may be required by applicable law or regulation, the terms of this Agreement.

5.2 **Obligations.** A disclosing party's Confidential Information will, for a period of 3 years following its disclosure to the other party (except in the case of software, for which the period is indefinite): (a) not be disclosed, except to the receiving party's employees, agents and contractors having a need-to-know (but only if 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 Section 5) or to the extent authorized to be revealed by law, governmental authority or legal process (but only if such disclosure is limited to that which is so authorized and prompt notice is provided to the disclosing party to the extent practicable and not prohibited by law, governmental authority or legal process); (b) be held in confidence; and (c) be used only for purposes of using the Services, evaluating proposals for new services or performing this Agreement (including in the case of AT&T to detect fraud, to check quality and to operate, maintain and enhance the network and Services).

5.3 **Exceptions.** The restrictions in this Section 5 will not apply to any information that: (a) is independently developed by the receiving party without use of the disclosing party's Confidential Information; (b) is lawfully received by the receiving party free of any obligation to keep it confidential; or (c) becomes generally available to the public other than by breach of this Agreement.

5.4 **Privacy.** Each party is responsible for complying with the privacy laws applicable to its business. AT&T shall require its personnel, agents and contractors around the world who process Customer Personal Data to protect Customer Personal Data in accordance with the data protection laws and regulations applicable to AT&T's business. If Customer does not want AT&T to comprehend Customer data to which it may have access in performing Services, Customer must encrypt such data so that it will be unintelligible. Customer is responsible for obtaining consent from and giving notice to its Users, employees and agents regarding Customer's and AT&T's collection and use of the User, employee or agent information in connection with a Service. Customer will only make accessible or provide Customer Personal Data to AT&T when it has the legal authority to do so. Unless otherwise directed by Customer in writing, if AT&T designates a dedicated account representative as Customer's primary contact with AT&T, Customer authorizes that representative to discuss and disclose Customer's customer proprietary network information to any employee or agent of Customer without a need for further authentication or authorization.

6. LIMITATIONS OF LIABILITY AND DISCLAIMERS

6.1 Limitation of Liability.

- (a) EITHER PARTY'S ENTIRE LIABILITY AND THE OTHER PARTY'S EXCLUSIVE REMEDY FOR DAMAGES ON ACCOUNT OF ANY CLAIM ARISING OUT OF AND NOT DISCLAIMED UNDER THIS AGREEMENT SHALL BE:
 - (i) FOR BODILY INJURY, DEATH OR DAMAGE TO REAL PROPERTY OR TO TANGIBLE PERSONAL PROPERTY PROXIMATELY CAUSED BY A PARTY'S NEGLIGENCE, PROVEN DIRECT DAMAGES;
 - (ii) FOR BREACH OF SECTION 5 (Confidential Information), SECTION 10.1 (Publicity) OR SECTION 10.2 (Trademarks), PROVEN DIRECT DAMAGES;
 - (iii) FOR ANY THIRD-PARTY CLAIMS, THE REMEDIES AVAILABLE UNDER SECTION 7 (Third Party Claims);
 - (iv) FOR CLAIMS ARISING FROM THE OTHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, PROVEN DAMAGES; OR

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- (v) FOR CLAIMS OTHER THAN THOSE SET FORTH IN SECTION 6.1(a)(i)-(iv), PROVEN DIRECT DAMAGES NOT TO EXCEED, ON A PER CLAIM OR AGGREGATE BASIS 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 CLAIM AROSE.
- (b) EXCEPT AS SET FORTH IN SECTION 7 (Third Party Claims) OR IN THE CASE OF A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY WILL 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 OR FOR INCREASED COST OF OPERATIONS.
- (c) THE LIMITATIONS IN THIS SECTION 6 SHALL NOT LIMIT CUSTOMER'S RESPONSIBILITY FOR THE PAYMENT OF ALL PROPERLY DUE CHARGES UNDER THIS AGREEMENT.

6.2 Disclaimer of Liability. AT&T WILL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: INTEROPERABILITY, ACCESS OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, DATA, EQUIPMENT, SERVICES, CONTENT OR NETWORKS PROVIDED BY CUSTOMER OR THIRD PARTIES; SERVICE DEFECTS, SERVICE LEVELS, DELAYS OR ANY SERVICE ERROR OR INTERRUPTION, INCLUDING INTERRUPTIONS OR ERRORS IN ROUTING OR COMPLETING ANY 911 OR OTHER EMERGENCY RESPONSE CALLS OR ANY OTHER CALLS OR TRANSMISSIONS (EXCEPT FOR CREDITS EXPLICITLY SET FORTH IN THIS AGREEMENT); LOST OR ALTERED MESSAGES OR TRANSMISSIONS; OR UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S (OR ITS AFFILIATES', USERS' OR THIRD PARTIES') APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORKS OR SYSTEMS.

6.3 Purchased Equipment and Vendor Software Warranty. AT&T shall pass through to Customer any warranties for Purchased Equipment and Vendor Software available from the manufacturer or licensor. The manufacturer or licensor, and not AT&T, is responsible for any such warranty terms and commitments. ALL SOFTWARE AND PURCHASED EQUIPMENT IS OTHERWISE PROVIDED TO CUSTOMER ON AN "AS IS" BASIS.

6.4 Disclaimer of Warranties. AT&T MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT AND SPECIFICALLY DISCLAIMS ANY WARRANTY ARISING BY USAGE OF TRADE OR BY COURSE OF DEALING. FURTHER, AT&T MAKES NO REPRESENTATION OR WARRANTY THAT TELEPHONE CALLS OR OTHER TRANSMISSIONS WILL BE ROUTED OR COMPLETED WITHOUT ERROR OR INTERRUPTION (INCLUDING CALLS TO 911 OR ANY SIMILAR EMERGENCY RESPONSE NUMBER) AND MAKES NO GUARANTEE REGARDING 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 OR ALTERATION OF OR IMPROPER ACCESS TO CUSTOMER'S DATA AND INFORMATION.

6.5 Application and Survival. The disclaimer of warranties and limitations of liability set forth in this Agreement will apply regardless of the form of action, whether in contract, equity, tort, strict liability or otherwise, of whether damages were foreseeable and of whether a party was advised of the possibility of such damages and will apply so as to limit the liability of each party and its Affiliates and their respective employees, directors, subcontractors and suppliers. The limitations of liability and disclaimers set out in this Section 6 will survive failure of any exclusive remedies provided in this Agreement.

7. THIRD PARTY CLAIMS

7.1 AT&T's Obligations. AT&T agrees at its expense to defend and either to settle any third-party claim against Customer, its Affiliates and its and their respective employees and directors or to pay all damages that a court finally awards against such parties for a claim alleging that a Service provided to Customer under this Agreement infringes any patent, trademark, copyright or trade secret, but not where the claimed infringement arises out of or results from: (a) Customer's, its Affiliate's or a User's content; (b) modifications to the Service by Customer, its Affiliate or a third party, or combinations of the Service with any non-AT&T services or products by Customer or others; (c) AT&T's adherence to Customer's or its Affiliate's written requirements; or (d) use of a Service in violation of this Agreement.

7.2 Customer's Obligations. Customer agrees at its expense to defend and either to settle any third-party claim against AT&T, its Affiliates and its and their respective employees, directors, subcontractors and suppliers or to pay all damages that a court finally awards against such parties for a claim that: (a) arises out of Customer's, its Affiliate's or a User's access to or use of the Services and the claim is not the responsibility of AT&T under Section 7.1; (b) alleges that a Service infringes any patent, trademark, copyright or trade secret and falls within the exceptions in Section 7.1; or (c) alleges a breach by Customer, its Affiliate or a User of a Software license agreement.

7.3 Infringing Services. Whenever AT&T is liable under Section 7.1, AT&T may at its option either procure the right for Customer to continue using, or may replace or modify, the Service so that it is non-infringing.

7.4 Notice and Cooperation. The party seeking defense or settlement of a third-party claim under this Section 7 will provide notice to the other party promptly upon learning of any claim for which defense or settlement may be sought, but failure to do so will have no effect except to the extent the other party is prejudiced by the delay. The party seeking defense or settlement will allow the other party to control the defense and settlement of the claim and will reasonably cooperate with the defense. The defending party will use counsel

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reasonably experienced in the subject matter at issue and will not settle a claim without the written consent of the party being defended, which consent will not be unreasonably withheld or delayed, except that no consent will be required to settle a claim where relief against the party being defended is limited to monetary damages that are paid by the defending party under this Section 7.

7.5 AT&T's obligations under Section 7.1 shall not extend to actual or alleged infringement or misappropriation of intellectual property based on Purchased Equipment, Software, or Third-Party Services.

8. SUSPENSION AND TERMINATION

8.1 **Termination of Agreement.** This Agreement may be terminated immediately upon notice by either party if the other party becomes insolvent, ceases operations, is the subject of a bankruptcy petition, enters receivership or any state insolvency proceeding or makes an assignment for the benefit of its creditors.

8.2 **Termination or Suspension.** The following additional termination provisions apply:

- (a) **Material Breach.** If either party fails to perform or observe any material warranty, representation, term or condition of this Agreement, including non-payment of charges, and such failure continues unremedied for 30 days after receipt of notice, the aggrieved party may terminate (and AT&T may suspend and later terminate) the affected Service Components and, if the breach materially and adversely affects the entire Agreement, terminate (and AT&T may suspend and later terminate) the entire Agreement.
- (b) **Materially Adverse Impact.** If AT&T revises a Service Publication, the revision has a materially adverse impact on Customer and AT&T does not effect revisions that remedy such materially adverse impact within 30 days after receipt of notice from Customer, then Customer may, as Customer's sole remedy, elect to terminate the affected Service Components on 30 days' notice to AT&T, given not later than 90 days after Customer first learns of the revision to the Service Publication. "Materially adverse impacts" do not include changes to non-stabilized pricing, changes required by governmental authority, or assessment of or changes to additional charges such as surcharges or taxes.
- (c) **Internet Services.** If Customer fails to rectify a violation of the AUP within 5 days after receiving notice from AT&T, AT&T may suspend the affected Service Components. AT&T reserves the right, however, to suspend or terminate immediately when: (i) AT&T's suspension or termination is in response to multiple or repeated AUP violations or complaints; (ii) AT&T is acting in response to a court order or governmental notice that certain conduct must be stopped; or (iii) AT&T reasonably determines that (a) it may be exposed to sanctions, liability, prosecution or other adverse consequences under applicable law if AT&T were to allow the violation to continue; (b) such violation may harm or interfere with the integrity, normal operations or security of AT&T's network or networks with which AT&T is interconnected or may interfere with another customer's use of AT&T services or the Internet; or (c) such violation otherwise presents an imminent risk of harm to AT&T, AT&T's customers or its or their respective employees.
- (d) **Fraud or Abuse.** AT&T may terminate or suspend an affected Service or Service Component and, if the activity materially and adversely affects the entire Agreement, terminate or suspend the entire Agreement, immediately by providing Customer with as much advance notice as is reasonably practicable under the circumstances if Customer, in the course of breaching the Agreement: (i) commits a fraud upon AT&T; (ii) uses the Service to commit a fraud upon another party; (iii) unlawfully uses the Service; (iv) abuses or misuses AT&T's network or Service; or (v) interferes with another customer's use of AT&T's network or services.
- (e) **Infringing Services.** If the options described in Section 7.3 (Infringing Services) are not reasonably available, AT&T may at its option terminate the affected Services or Service Components without liability other than as stated in Section 7.1 (AT&T's Obligations).
- (f) **Hazardous Materials.** If AT&T encounters any Hazardous Materials at the Site, AT&T may terminate the affected Services or Service Components or may suspend performance until Customer removes and remediates the Hazardous Materials at Customer's expense in accordance with applicable law.

8.3 Effect of Termination.

- (a) Termination or suspension by either party of a Service or Service Component does not waive any other rights or remedies a party may have under this Agreement and will not affect the rights and obligations of the parties regarding any other Service or Service Component.
- (b) If a Service or Service Component is terminated, Customer will pay all amounts incurred prior to the effective date of termination.

8.4 Termination Charges.

- (a) If Customer terminates this Agreement or an affected Service or Service Component for cause in accordance with the Agreement or if AT&T terminates a Service or Service Component other than for cause, Customer will not be liable for the termination charges set forth in this Section 8.4.
- (b) If Customer or AT&T terminates a Service or Service Component prior to Cutover other than as set forth in Section 8.4(a), Customer (i) will pay any pre-Cutover termination or cancellation charges set out in a Pricing Schedule or Service Publication, or

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(ii) in the absence of such specified charges, will reimburse AT&T for time and materials incurred prior to the effective date of termination, plus any third party charges resulting from the termination.

- (c) If Customer or AT&T terminates a Service or Service Component after Cutover other than as set forth in Section 8.4(a), Customer will pay applicable termination charges as follows: (i) 50% (unless a different amount is specified in the Pricing Schedule) of any unpaid recurring charges for the terminated Service or Service Component attributable to the unexpired portion of an applicable Minimum Payment Period; (ii) if termination occurs before the end of an applicable Minimum Retention Period, any associated credits or waived or unpaid non-recurring charges; and (iii) any charges incurred by AT&T from a third party (*i.e.*, not an AT&T Affiliate) due to the termination. The charges set forth in Sections 8.4(c)(i) and (ii) will not apply if a terminated Service Component is replaced with an upgraded Service Component at the same Site, but only if the Minimum Payment Period or Minimum Retention Period, as applicable, (the "Minimum Period") and associated charge for the replacement Service Component are equal to or greater than the corresponding Minimum Period and associated charge for the terminated Service Component, respectively, and if the upgrade is not restricted in the applicable Service Publication.
- (d) In addition, if Customer terminates a Pricing Schedule that has a MARC, Customer will pay an amount equal to 50% of the unsatisfied MARC for the balance of the Pricing Schedule Term.

9. IMPORT/EXPORT CONTROL

Neither party will use, distribute, transfer or transmit any equipment, services, software or technical information provided under this Agreement (even if incorporated into other products) except in compliance with all applicable import and export laws, conventions and regulations.

10. MISCELLANEOUS PROVISIONS

10.1 **Publicity.** Neither party may issue any public statements or announcements relating to the terms of this Agreement or to the provision of Services without the prior written consent of the other party.

10.2 **Trademarks.** Each party agrees not to display or use, in advertising or otherwise, any of the other party's trade names, logos, trademarks, service marks or other indicia of origin without the other party's prior written consent, which consent may be revoked at any time by notice.

10.3 **Independent Contractor.** Each party is an independent contractor. Neither party controls the other, and neither party nor its Affiliates, employees, agents or contractors are Affiliates, employees, agents or contractors of the other party.

10.4 **Force Majeure.** Except for payment of amounts due, neither party will be liable for any delay, failure in performance, loss or damage due to fire, explosion, cable cuts, power blackout, earthquake, flood, strike, embargo, labor disputes, acts of civil or military authority, war, terrorism, acts of God, acts of a public enemy, acts or omissions of carriers or suppliers, acts of regulatory or governmental agencies or other causes beyond such party's reasonable control.

10.5 **Amendments and Waivers.** 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 will not operate as a waiver of any other breach of this Agreement.

10.6 Assignment and Subcontracting.

- (a) Customer may, without AT&T's consent but upon notice to AT&T, assign in whole or relevant part its rights and obligations under this Agreement to a Customer Affiliate. AT&T may, without Customer's consent, assign in whole or relevant part its rights and obligations under this Agreement to an AT&T Affiliate. In no other case may this Agreement be assigned by either party without the prior written consent of the other party (which consent will not be unreasonably withheld or delayed). In the case of any assignment, the assigning party shall remain financially responsible for the performance of the assigned obligations.
- (b) AT&T may subcontract to an Affiliate or a third party work to be performed under this Agreement but will remain financially responsible for the performance of such obligations.
- (c) In countries where AT&T does not have an Affiliate to provide a Service, AT&T may assign its rights and obligations related to such Service to a local service provider, but AT&T will remain responsible to Customer for such obligations. In certain countries, Customer may be required to contract directly with the local service provider.

10.7 **Severability.** If any portion of this Agreement is found to be invalid or unenforceable or if, notwithstanding Section 10.11 (Governing Law), applicable law mandates a different interpretation or result, the remaining provisions will remain in effect and the parties will 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.

10.8 **Injunctive Relief.** Nothing in this Agreement is intended to or should be construed to prohibit a party from seeking preliminary or permanent injunctive relief in appropriate circumstances from a court of competent jurisdiction.

10.9 **Legal Action.** Any legal action arising in connection with this Agreement must be filed within two (2) years after the cause of action accrues, or it will be deemed time-barred and waived. The parties waive any statute of limitations to the contrary.

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10.10 **Notices.** Any required notices under this Agreement shall be in writing and shall be deemed validly delivered if made 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 after 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 after 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 to such other office or recipient as designated in writing from time to time.

10.11 **Governing Law.** This Agreement will be governed by the law of the State of New York, without regard to its conflict of law principles, unless a regulatory agency with jurisdiction over the applicable Service applies a different law. The United Nations Convention on Contracts for International Sale of Goods will not apply.

10.12 **Compliance with Laws.** Each party will comply with all applicable laws and regulations and with all applicable orders issued by courts or other governmental bodies of competent jurisdiction.

10.13 **No Third Party Beneficiaries.** This Agreement is for the benefit of Customer and AT&T and does not provide any third party (including Users) the right to enforce it or to bring an action for any remedy, claim, liability, reimbursement or cause of action or any other right or privilege.

10.14 **Survival.** The respective obligations of Customer and AT&T that by their nature would continue beyond the termination or expiration of this Agreement, including the obligations set forth in Section 5 (Confidential Information), Section 6 (Limitations of Liability and Disclaimers) and Section 7 (Third Party Claims), will survive such termination or expiration.

10.15 **Agreement Language.** The language of this Agreement is English. If there is a conflict between this Agreement and any translation, the English version will take precedence.

10.16 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its subject matter. Except as provided in Section 2.4 (License and Other Terms), this Agreement supersedes all other agreements, proposals, representations, statements and understandings, whether written or oral, concerning the Services or the rights and obligations relating to the Services, and the parties disclaim any reliance thereon. This Agreement will not be modified or supplemented by any written or oral statements, proposals, representations, advertisements, service descriptions or purchase order forms not expressly set forth in this Agreement.

11. DEFINITIONS

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

"**API**" means an application program interface used to make a resources request from a remote implementer program. An API may include coding, specifications for routines, data structures, object classes, and protocols used to communicate between programs.

"**AT&T Software**" means software, including APIs, and all associated written and electronic documentation and data owned by AT&T and licensed by AT&T to Customer. AT&T Software does not include software that is not furnished to Customer.

"**Customer Personal Data**" means information that identifies an individual, that Customer directly or indirectly makes accessible to AT&T and that AT&T collects, holds or uses in the course of providing the Services.

"**Cutover**" means the date Customer's obligation to pay for Services begins.

"**Effective Date**" of a Pricing Schedule means the date on which the last party signs the Pricing Schedule unless a later date is required by regulation or law.

"**MARC-Eligible Charges**" means the recurring and usage charges (including amounts calculated from unpaid charges that are owed under Section 8.4(c)(i)), after deducting applicable discounts and credits (other than outage or SLA credits), that AT&T charges Customer for the Services identified in the applicable Pricing Schedule as MARC-contributing. The following are not MARC-Eligible Charges: (a) charges for or in connection with Customer's purchase of equipment; (b) taxes; and (c) charges imposed in connection with governmentally imposed costs or fees (such as USF, PICC, payphone service provider compensation, E911 and deaf relay charges).

"**Minimum Payment Period**" means the Minimum Payment Period identified for a Service Component in a Pricing Schedule or Service Publication during which Customer is required to pay recurring charges for the Service Component.

"**Minimum Retention Period**" means the Minimum Retention Period identified for a Service Component in a Pricing Schedule or Service Publication during which Customer is required to maintain service to avoid the payment (or repayment) of certain credits, waived charges or amortized charges.

"**Purchased Equipment**" means equipment or other tangible products Customer purchases under this Agreement, including any replacements of Purchased Equipment provided to Customer. Purchased Equipment also includes any internal code required to operate such Equipment. Purchased Equipment does not include Software but does include any physical media provided to Customer on which Software is stored.

"**Service Component**" means an individual component of a Service provided under this Agreement.

"**Service Publications**" means Tariffs, Guidebooks, Service Guides and the AUP.

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"**Site**" means a physical location, including Customer's collocation space on AT&T's or its Affiliate's or subcontractor's property, where AT&T installs or provides a Service.

"**Software**" means AT&T Software and Vendor Software.

"**Third-Party Service**" means a service provided directly to Customer by a third party under a separate agreement between Customer and the third party.

"**Vendor Software**" means software, including APIs, and all associated written and electronic documentation and data AT&T furnishes to Customer, other than AT&T Software.