

City of Milwaukee
Vendor Wireless Network Build
Final Term Sheet – July 27, 2006

1. Network Build

- Vendor must install equipment and get it operating to industry (IEEE) standards within an 18-month construction period. Build-out benchmarks/targets to be specified in construction plan from Vendor, updated every 3 months until 18 month construction period is completed.
- Coverage - minimum 90% of City geographic area, to include all populated areas.

2. Open network

- City desires a platform that enables equal competition among service providers.
- Vendor will operate the wireless network so as to provide a common, non-discriminatory service platform for multiple local and/or global Internet Service Providers.
- If the number of wholesale subscribers is less than 40% of the total number of retail and wholesale access subscribers, than the wholesale access price will not exceed 60% of vendor's standard retail access price.
- Network access can be provided either directly through Vendor or any full-service provider on the network.
- Vendor will work with other organizations to enable roaming between different vendor wireless systems across the City to the extent technologically feasible and economically viable.

3. Access to City facilities

- Vendor must define all facility needs on an initial and ongoing basis (build-out strategy), subject to expedited review by the City.
- Agreement is in lieu of separate permits; plans to be generally reviewed and approved within a two week period from submission.
- City can deny access if facility is needed for another purpose; City must provide statement of other purpose and work with Vendor to find alternative facility
- Pole attachments at \$25 per year.
- Distribution towers/antennas must comply with City tower ordinance, and use existing structures or towers where possible; reviewed individually, but generally given the same rate as pole attachments; City will cooperate in finding acceptable locations; there will be no costs to the City for these facilities.
- New conduit use will be provided at no charge, as available, in exchange for benefits specified below.

4. City Benefits

- Build out entire City in 18 months from contract start date.
- "Walled garden" - splash page (Milwaukee.gov) plus 60 govt. or non-profit web sites available for free to anyone who can establish a network connection.
- Vendor good faith efforts at employment of 25% City residents per Code 309-41 RPP.
- Establish a job training program.
- 400 free accounts plus 25% discount for additional accounts.

- Digital Divide fund - \$150,000 seed contribution.
- Priority for City public safety uses can be enabled on the network.
- City share of gross revenue attributed to this network to be as follows:

Wireless Services- Only Other, Non-Wireless Services

Years 1-3: 0%	Years 1-3: 0%
Years 4-6: 1 %	Years 4-6: 0.5%
Years 7-14: 3 %	Years 7-14:1.5%

"Gross revenue" means new revenue reported by Vendor, after the effective date of this agreement, in accordance with generally accepted accounting principles as generated directly from Vendor's sale of (i) services through facilities occupying only New Conduit ordered per this Agreement and (ii) services through facilities occupying New Conduit in part, where the remainder of the facilities occupy other conduit ordered prior to this Agreement.

5. Cost

- City bears no cost for initial build nor any future upgrades.
- City bears no cost for operation and maintenance.

6. Industry standards

- Service levels defined; Vendor will use diligence and good faith efforts to negotiate pre-defined service levels in its agreements with all service providers.
- Technology must be built and managed to current industry standards for wireless networks and to current industry standards for security.
- Best efforts to resolve any communications interference by/for either party.

7. Term

- Initial term of 14 years; one renewal term of 6 years upon agreed % revenue share.
- Contract has 4-year benefit and cost mutual re-negotiation/review points; if benefits cannot be successfully re-negotiated within 180 days the parties will determine fair benefits through mediation with the Public Service Commission of Wisconsin or such other mutually agreed upon mediator.
- Termination by City allowed if major defaults occur and are not timely cured within 90 days after notice, or such longer period provided Vendor is proceeding in good faith with diligence to complete the cure.
- Termination by Vendor allowed for lack of business subject to bond for removal of equipment by the City.

"Lack of business" means (i) actual or projected failure of the network to generate annual Vendor revenues in excess of annual Vendor costs to maintain and operate the network, (ii) financial distress threatening insolvency, receivership or bankruptcy of Vendor, or (iii) technological obstacles incapable of cure in a financially viable manner.

8. City Review/Approval

- All plans and programs for construction and/or upgrades must be timely reviewed

- and approved by the City, not to be unreasonably withheld.
- Any transfer, assignment or sale of assets or business interests to an unaffiliated entity must receive prior City approval, not to be unreasonably withheld, excluding transactions (i) required to secure or maintain financing arrangements, (ii) conducted in the ordinary course of business or (iii) involving 20% or less of the assets or business interests of Vendor so long as prior notice is given to the City.

9. Restrictions

- No use of system as a "Cable System" as defined in federal, state and local law.
- Mutual indemnification as appropriate; appropriate levels of liability insurance
- Vendor to post bond to allow City to remove all equipment upon any termination of network activity by Vendor.
- Final agreement subject to City resolution of private activity issues (City has to ensure it can allow private activities on public facilities that were financed with tax exempt bonds).
- Mutual disclaimer of consequential damages.