



1500 WEST HIGH STREET MT. PLEASANT, MI 48858 TELEPHONE: 888-870-8677 FAX: 989-772-3239

## VIDEO INTEGRATION SERVICES MASTER AGREEMENT

### ENDORSED - 2 VENDOR AWARD

### CONTRACT NUMBER: 0709MSC-E20034

This Video Integration Services (VIS) Master Agreement ("Agreement") is made by and between Innovative Communications, Inc. ("ICI") ("Seller") with principal offices located at 789 Bridgeview North, Saginaw, MI 48604, and MiCTA Service Corporation ("MSC") with principal offices located at 1500 West High Street, Mt. Pleasant, MI 48858, on behalf of MiCTA, an association made up of non-profit colleges, universities, K-12 school systems, federal, state and local government units, health care providers, libraries and other non-profit entities herein referred to as MiCTA,; and the American TelEdCommunications Alliance, an organization representing the four regional educational compacts including the Southern Regional Education Board (SREB), Midwestern Higher Education Compact (MHEC), Western Interstate Commission for Higher Education (WICHE), New England Board of Higher Education (NEBHE), and MiCTA herein referred to as the ATAlliance. For purposes of this Master Agreement and all Attachments, MiCTA, the ATAlliance, and their members will herein be referred to jointly as MiCTA / ATAlliance, Member(s), MiCTA /ATAlliance eligible institutions, and/or Member eligible institutions.

**WHEREAS**, Seller wishes to provide to MiCTA / ATAlliance and its Members products and/or services as identified in the various Member Participation Contracts between Seller and Members.

**WHEREAS**, MSC desires to promote Seller's products and/or services to MiCTA / ATAlliance Members as an independent authorized agent of Seller pursuant to the terms and conditions set forth herein.

**WHEREAS**, Seller is awarded an Endorsed - 2 status, having met most required core elements set by MiCTA and the ATAlliance, prevailed in the comprehensive RFP process for Video Integration Services, and has been judged by MiCTA and the ATAlliance to be a **very good value** for VIS products and services based on price, quality, service, etc. as identified during the RFP #MSC-0008 evaluation process.

**NOW, THEREFORE**, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

#### 1.1. MASTER AGREEMENT:

- 1.1.1. MSC hereby accepts Seller's offer to make available any/all products and services as set forth in Attachment A to all Members subject to the terms and conditions of this Master Agreement. and the specific Member Participation Contract.
- 1.1.2. Seller will offer individual Member Participation Contracts, which are the responsibility of each member institution, and are subject to the institutions and/or their State's purchasing policies and procedures.

#### 1.2. MASTER AGREEMENT TERM:

- 1.2.1. This Master Agreement is generally for three years, and shall specifically commence on September 23, 2004, ("Effective Date") and end on September 22, 2007 ("Expiration Date"), subject to 1.2.2 and 1.2.3.
- 1.2.2. MSC reserves the right to renegotiate the pricing terms of the Master Agreement once during each twelve (12) month period of the Master Agreement.

- 1.2.3. MSC reserves the right to extend the term of this Master Agreement for two (2) additional one-year terms provided the products, services, and pricing continue to meet or exceed MiCTA / ATAlliance standards, and Seller has met and continues to meet all the terms and conditions of this Master Agreement.

**1.3. EXCLUSIVE AGREEMENT:**

- 1.3.1. Seller agrees that this Master Agreement is for the sole use of all Members in good standing only, and shall not be offered by the Seller to any non-MiCTA / ATAlliance member organization without the express written permission of MSC.
- 1.3.2. Seller agrees to obtain the MiCTA Membership Number prior entering into a Member Participation Contract or providing services, products, pricing, terms, warranties, and/or benefits provided under this Master Agreement.
- 1.3.3. Seller agrees to assume contractual and financial responsibilities for their subcontractors' adherence to the terms and conditions of this Master Agreement and Member Participation Contract.
- 1.3.4. Seller agrees that this Master Agreement supersedes all existing contracts for products and/or services with any/all MiCTA / ATAlliance Accounts, provided the Member enters into a new Member Participation Contract with Seller.

**1.4. MOST FAVORED CUSTOMER:**

Seller hereby agrees to provide all Members with "Most Favored Customer" status throughout the term of this Master Agreement.

"Most Favored Customer" means if the Seller offers any other similarly situated institution and/or organization more favorable pricing, terms, warranties, and/or benefits than those provided under the MiCTA / ATAlliance program, the Seller will in turn offer the same or better pricing, terms, warranties, and/or benefits to Members for all subsequent purchases. This provision extends to all Seller's products or services, including maintenance/support and lease agreements.

**1.5. APPOINTMENT OF AGENT:**

MSC is hereby appointed an independent sales agent with the limited authority outlined herein to promote Seller's products and/or services, subject to the terms of this Master Agreement, to MiCTA Eligible and MiCTA / ATAlliance Member non-profit colleges, universities, K-12 school systems, federal, state and local government units, health care providers, libraries and other non-profit entities as customers.

**1.6. ACCEPTANCE OF AGENT APPOINTMENT:**

MSC hereby accepts the appointment by Seller as its authorized sales agent to promote Seller's products and/or services, subject to the terms and conditions of this Master Agreement, to MiCTA Eligible and MiCTA / ATAlliance Member non-profit colleges, universities, K-12 school systems, federal, state and local government units, health care providers, libraries and other non-profit entities as customers.

**1.7. RELATIONSHIP OF PARTIES:**

- 1.7.1. MSC shall have no authority to bind Seller by contract or otherwise or to make representations as to the policies and procedures of Seller other than as specifically authorized by this Master Agreement.
- 1.7.2. Seller and MSC acknowledge and agree that the relationship arising from this Master Agreement does not constitute or create a general agency, joint venture, partnership, employee relationship or franchise between them, and that MSC is an independent contractor with respect to the services or products provided under this Master Agreement.
- 1.7.3. MSC shall identify itself as an authorized representative of Seller only with respect to the products and/or services covered by this Master Agreement, and shall otherwise identify itself as an independent entity.
- 1.7.4. This Master Agreement is not intended to and does not create any third-party beneficiaries to the rights and obligations as set forth herein, nor shall any third-party beneficiaries be inferred by operation or otherwise.

**1.8. CONTRACT DOCUMENTS:**

The documents which comprise this Master Agreement are this Agreement and any attachments or addenda, the contents of VIS RFP #MSC-0008, the Seller's response to such RFP and any attachments or addenda, and any Clarification / Deficiency Report, Financial Inquiry Request, and/or Best and Final Offer and Seller's response to

same including any attachments or addenda referenced herein, which shall become attached hereto and made part of this Master Agreement by this reference.

#### **1.9. RESOLVING CONFLICTING LANGUAGE:**

In the event of a conflict of language among any of the contract documents, the conflict shall be resolved by reference to the documents in the following order: first, any contractual clarifications mutually agreed upon in writing subsequent to this Master Agreement; second, this Master Agreement and any attachments or addenda; third, the Seller's response to the RFP, evaluation information requests and any attachments or addenda; and fourth, the VIS RFP #MSC-0008 and any attachment or addenda.

#### **1.10. NATIONAL ACCOUNT REPRESENTATIVE:**

Seller agrees to designate a National Account Representative to be responsible for the coordination of order processing, expediting, problem solving, etc. for any/all Member accounts regardless of their physical location. In addition, the National Account Representative is the responsible contact for tracking and reporting to MSC, on a monthly basis, MiCTA / ATAlliance total gross sales revenue. Additionally, Seller agrees to:

- 1.10.1. Assign a National Account Representative as the primary point of contact for product, service, and pricing information for the MiCTA / ATAlliance program, which must be in place within two (2) weeks of the effective date of this Master Agreement, and a secondary contact with a good working knowledge of the MiCTA / ATAlliance program who will assist the primary point of contact with Member contact.
- 1.10.2. Notify MSC immediately of any pending personnel changes with the assigned National Account Representative, and agrees to fill the position with a skilled and knowledgeable replacement prior to the position becoming vacant whenever possible.
- 1.10.3. Verify Seller's contact information posted to the MiCTA website minimally on a quarterly basis, and update as circumstances require.
- 1.10.4. Replace the National Account Representative, if requested by MiCTA, the ATAlliance, or MSC.

#### **1.11. MARKETING SUPPORT AND SALES AIDS:**

Seller hereby agrees to promote and support the MiCTA / ATAlliance program throughout the term of this Master Agreement, which includes, but is not limited to:

- 1.11.1. Announcing the VIS Agreement and Seller's affiliation with MiCTA / ATAlliance on the Seller's web site home page.
- 1.11.2. Collaborating with MiCTA / ATAlliance on a marketing program for existing Members, as well as a program for non-profit entities not currently MiCTA / ATAlliance Members.
  - 1.11.2.1. MSC, along with MiCTA and the ATAlliance, shall promote the Seller's services and/or products according to the mutually agreed upon marketing plan.
- 1.11.3. Scheduling mandatory training sessions for all authorized sales representatives in the MiCTA / ATAlliance program with session to include:
  - 1.11.3.1. Invite MSC representatives to participate in Seller's sales representative training for the MiCTA / ATAlliance program.
  - 1.11.3.2. Require all authorized sales representatives to support and market the MiCTA / ATAlliance program to all qualified Members.
- 1.11.4. Assigning a Marketing Manager as the single point of contact for all MiCTA / ATAlliance Member Accounts at all times.
  - 1.11.4.1. Provide MSC with sales activity reports for all sales representatives on a monthly basis.
- 1.11.5. Supplying an initial sales kit that includes a program description, sales literature, sales aids, and other materials and forms to be used by MiCTA / ATAlliance in its activities as provided by this Agreement.
- 1.11.6. Providing promotional / marketing materials related to the Seller's products and/or services to MSC to promote the VIS program throughout the term of the Master Agreement.
- 1.11.7. Participating in industry related conferences, seminars, policy forums, etc. supported by MiCTA and the ATAlliance, which minimally includes supplying marketing literature / materials, in-booth representative, shared booth display, etc.

- 1.11.8. Providing program access on Seller's website for all qualified Members, which minimally includes:
  - 1.11.8.1. MiCTA / ATAlliance program icon on the Seller's home page for easy Member only access to the program, pricing, etc.
  - 1.11.8.2. "Hot Link" to connect MiCTA's web page to Seller's MiCTA / ATAlliance program page with a "link back" to the MiCTA web site.
  - 1.11.8.3. Price changes made available on-line for Members only, or timely submission of price changes in an electronic format for immediate posting in a password protected location on the MiCTA / ATAlliance program page.
  - 1.11.8.4. Information posted to Seller's MiCTA / ATAlliance web page to be updated immediately as changes becomes effective or information becomes obsolete.

**1.12. LOGO AND NAME:**

MiCTA and the ATAlliance Marks and Service Marks are protected and are registered. Seller is authorized to utilize such Marks, Service Marks, Logos, etc. on corporate mailings, web pages, promotions, etc. only in connection with the products and/or services covered by this Agreement. Furthermore, Seller must have such materials reviewed and receive written approval by MSC prior to their release.

**1.13. MiCTA / ATAlliance CONFERENCE SUPPORT:**

Seller agrees to commit time and funding to support at least one MiCTA / ATAlliance sponsored conference or seminar annually. Such support may be in the form of providing or sponsoring one of the following events: conference lecturer, training session, booth display, social gathering/event, opening or closing banquet, and/or door or event prizes.

**1.14. ASSOCIATE STATUS:**

Seller and any Subcontractors, identified in Seller's response, agree to become a "MiCTA Associate", and keep such status in good standing by supporting the MiCTA / ATAlliance mission and goals, becoming an active participant of the Vendor Liaison Committee, and paying annual Associate dues for the full term of this Agreement.

**1.15. FORCE MAJEURE:**

Neither Party hereto shall be deemed to be in default of any provision of this Agreement for any failure in performance resulting from acts or events beyond the reasonable control of such Party. For purposes of this Agreement, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, floods, other catastrophes, or other events beyond the Parties' reasonable control; provided however, that the provisions of this Section shall not preclude either Party from canceling or terminating this Agreement, or any order for any product or service included herein, as otherwise permitted hereunder, regardless of any Force Majeure. Notwithstanding the foregoing, the following events shall not constitute Force Majeure:

- 1.15.1. Real or claimed shortages of hardware or peripherals, non-availability of hardware, peripherals, software, materials, or labor, other than by strike or acts of God, and any other requirement to complete the performance of this Agreement.
- 1.15.2. Lightning strikes that affect the system components due to the failure of the Seller-supplied protection devices.

The provisions of this Section will remain in full force and effect during the Warranty Period and shall be a term of any subsequent maintenance agreement entered into by a Member and the Seller.

**1.16. LIVING DOCUMENT:**

Seller agrees to treat this Agreement as a living document to allow for industry and technology advances, and agrees to add products and services to Attachment A of this Agreement as they are released into the marketplace. Furthermore, MSC and Seller will negotiate pricing for any/all new products and/or services prior to adding them to the VIS Agreement via a written addendum.

**1.17. PRODUCT TESTING:**

Seller agrees to provide any/all hardware and software, at no charge with the exception of shipping charges to and from the designated testing center and required insurance, whenever requested by MSC on behalf of MiCTA / ATAlliance Member(s) for demonstration, testing, and evaluation of capabilities, functionality and interoperability with other components.

- 1.17.1. Seller agrees coordinate MiCTA / ATAlliance requests with manufacturers to minimally provide a 90-day evaluation period for all equipment and/or software being product tested.
- 1.17.2. Seller agrees to provide technical support for all products and/or services authorized for testing.
- 1.17.3. Seller agrees to forward all Member requests for test equipment to MSC for coordination of the testing process, and assistance in preparation of a whitepaper report to be published on the website.
- 1.17.4. Seller may require requesting Member to submit a Purchase Order for the value of the test equipment as a written guarantee to either return or purchase within the assigned testing period.

**1.18. MEMBER PRICING AND PRICE ADJUSTMENTS:**

- 1.18.1. Seller hereby offers the pricing, in Seller's response to RFP #MSC-0008, to all Member accounts.
- 1.18.2. Seller guarantees pricing is the lowest (net) pricing offered any other similarly situated customer.

**1.19. PRICE DECREASE (S):**

- 1.19.1. Seller agrees to announce price decreases, from Seller, Seller's supplier or manufacturer, for all products or services upon occurrence, and automatically pass the decrease on to Members immediately upon the effective date of the price decrease.
- 1.19.2. Seller agrees to mail, fax or E-Mail the complete revised price list to MSC within ten (10) working days of the announcement of the price change(s).
- 1.19.3. Seller agrees to post changes to Seller's MiCTA / ATAlliance web page location on or before the effective date of the decrease.
- 1.19.4. Seller will notify Members with current orders in process of all price changes, and request a purchase order addendum or verbal/written approval be submitted to accept all changes.
- 1.19.5. Members reserve the right to receive a refund check from Seller, whenever Seller or its subcontractors' invoice has been issued and paid at an incorrect rate.
- 1.19.6. Failure to pass along price decreases shall be considered a material breach of this Agreement, may be cause to cancel the agreement in its entirety, and to pursue legal action.

**1.20. MEMBER(S) EXISTING CONTRACT:**

Members, who have existing Video Integration Services contracts with Seller, will be eligible to receive the Seller's MiCTA / ATAlliance program pricing upon entering into a new Member Participation Contract, which will supersede any current contract a Member holds with the Seller and/or its subcontractors.

**1.21. CODES, PERMITS, FEES, LICENSES:**

Seller shall:

- 1.21.1. Be responsible for any/all permits required for this work.
- 1.21.2. Arrange for all necessary inspections.
- 1.21.3. Adhere to all state, federal, and industry codes.
- 1.21.4. Adhere to the ADA Compliance of Telecommunications Equipment and Services as released by the Federal Communications Commission, September 9, 1999, which became effective March 1, 2000.
- 1.21.5. Seller will be responsible for those fees for codes, permits, and licenses related to the products and services identified under this Agreement.

**1.22. ORDINANCES AND REGULATIONS:**

Seller shall comply with all the applicable statutes, ordinances, and regulations of federal, state, and local governments. Seller shall pay all taxes, insurance, and license fees pertaining to the business herein described.

**1.23. GOVERNING LAW:**

The laws of the State of Michigan shall govern this Agreement, including all matters relating to the validity, construction, performance and enforcement thereof. Any Member Participation Contract, entered into by Seller and individual Members, will be governed by and construed in accordance with the laws of the state mutually agreed upon by the Member and the Seller.

**1.24. SELLER EMPLOYEES/AFFILIATE(S)/ASSOCIATE(S):**

Seller shall enforce good order among their employees as well as that of any/all subcontractors, Associate(s) and/or Affiliate(s), and shall not employ on this project any disorderly, intemperate, unfit person or anyone not skilled in the industry. MSC reserves the right to require the replacement of any Seller personnel due to unsatisfactory conduct or performance.

**1.25. REMEDIES UPON NON-COMPLIANCE:**

In any case where Seller has failed to provide the contracted products or services and has been notified of its non-compliance, Members have the right to procure the products and/or services from another source, and charge the difference between the contracted price and the actual price paid by the Member to the Seller, subject to the liability limits defined in the agreement between Seller and the Member.

**1.26. NO WAIVER:**

No waiver of any of the provisions of this Agreement shall be binding unless it is in writing and signed by both parties. The failure of either party to insist on the strict enforcement of any provision of this Agreement shall not constitute a waiver of any provision and all terms shall remain in full force and effect.

**1.27. INDEMNIFICATION:**

Seller shall warrant that it has full power and authority to grant the rights herein granted, and will indemnify and hold harmless all Members, MiCTA Service Corporation, their agents or employees, President, Officers, and Governing Board members against all suits, claims, damages, losses, costs, and expenses of any kind or nature, including reasonable attorney fees, arising out of any breach of this Agreement by Seller.

MSC shall warrant that it has full power and authority to grant the rights herein granted, and will indemnify and hold harmless Seller and its agents or employees of Seller against all suits, claims, damages, losses, costs, and expenses of any kind or nature, including reasonable attorney fees, arising out of any breach of this Agreement by MSC.

**1.28. SEVERABILITY:**

No provision of this Agreement which may be deemed illegal, invalid or unenforceable will in any way invalidate any other provisions of this Agreement, all of which will remain in full force and effect.

**1.29. BINDING EFFECT AND ASSIGNMENT:**

This Agreement will be binding upon and inure to the benefit of the parties, their successors and assigns; provided, however, that neither party may assign or otherwise transfer this Agreement, in part or in whole, or any of its interest herein without the prior written consent thereto by the other.

In the case of an approved assignment, MSC requires the Assignment Agreement to contain a provision that states further assignments shall not be made to any third-party without additional written consent by MSC.

**1.30. CANCELLATION/TERMINATION:**

1.30.1. MSC shall have the absolute and discretionary right to terminate and cancel this Agreement upon giving the Seller sixty (60) days written notice of Seller's or their subcontractors' failure to perform satisfactorily under the terms and conditions of this Agreement.

1.30.2. Either party may terminate this Agreement with cause for breach of any provision of this Agreement provided written notice of breach has been given and such breach has not been cured within sixty (60) days after delivery of such notice.

1.30.3. Members shall be responsible for all sums due and owed the Seller for products or services provided under the Member's individual Participation Contract.

**1.31. SURVIVORSHIP OF PROVISIONS:**

All Seller's products purchased, and Seller's services performed pursuant to this Agreement shall be bound by all of the Terms and Conditions set fourth herein notwithstanding the expiration of the term of this Agreement. The following sections shall remain operative for so long as the products and services remain in use:

1.31.1. Indemnity Clause, as defined in this Agreement

1.31.2. Warranty, as defined in this Agreement

1.31.3. Assignment, as defined in this Agreement

1.31.4. Governing Law, as defined in this Agreement

**1.32. SURVIVORSHIP OF INDIVIDUAL MEMBER TERMS AND CONDITIONS:**

In the event Members enter into an individual participation contract, whose term extends beyond the termination or expiration date of this Master Agreement, Members, at their own option, may either:

- 1.32.1. Continue receiving services or products under the terms and conditions described herein until the expiration date of the Member's individual participation contract.
- 1.32.2. Continue receiving services or products at other terms and conditions agreed to in writing by both Seller and the Member.
- 1.32.3. Cease receiving services or products from the Seller, without incurring penalty, effective on the date of termination by MSC.

**1.33. NOTICES:**

Notices to be given pursuant to this Agreement will be in writing, and will be deemed to have been duly and properly given on the earlier of:

- 1.33.1. Date such notice has been received; or
- 1.33.2. Five (5) days after deposit of such notice in the United States Mail, postage prepaid, to be delivered by certified mail, return receipt requested, addressed to MSC and the Seller at the addresses provided below:

1.33.2.1. Notices to Seller shall be addressed as follows:

Thomas Spaude, President  
Innovative Communications, Inc.  
789 Bridgeview North  
Saginaw, MI 48604  
Telephone: (989) 754-5040  
Fax: (989) 754-6955

or at such address as Seller may designate, in writing, from time to time.

1.33.2.2. Notices to MSC shall be addressed as follows:

John Rathje, President / C.E.O.  
MiCTA Service Corporation  
1500 West High Street  
Mt. Pleasant, MI 48858  
Telephone: (888) 870-8677 x102  
Fax: (989) 772-3239

or at such address as MSC may designate, in writing, from time to time.

**1.34. HEADINGS:**

The section number and/or captions appearing in this Agreement are inserted only as a matter of convenience and are in no way intended to define, limit, construe or describe the scope or intent of such sections of this Agreement, or in any way affect this Agreement.

**1.35. IMPLEMENTATION DATES:**

Endorsed - 2 status will become effective upon execution of this Agreement by all parties. Seller's Contract price list(s) for products/services will be released to Members no later than one (1) week after contract execution.

**1.36. ENTIRE AGREEMENT:**

This Agreement supersedes and replaces all prior and contemporaneous agreements, understandings and representations, whether oral or written, between the parties and relating to the subject matter hereof, and the applicable tariffs, constitutes the entire understanding of the parties with respect to the subject matter of this Agreement. This Agreement may not be modified, changed, altered, or amended except by an express written agreement signed by duly authorized representatives of the parties hereto.

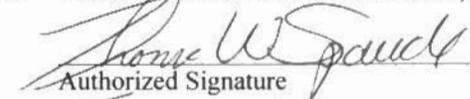
**1.37. CONTRACT EXECUTION:**

In Witness Whereof, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Agreement and have caused their duly authorized representatives to execute this Agreement.

**FOR: MICTA SERVICE CORPORATION**

  
\_\_\_\_\_  
John M. Rathje  
President / C.E.O.  
Date: 9-24-2004

**FOR: INNOVATIVE COMMUNICATIONS, INC.**

  
\_\_\_\_\_  
Authorized Signature  
  
\_\_\_\_\_  
Authorized Agent (Print or Type)  
Title: PRESIDENT  
Date: 9-23-2004



## VIDEO INTEGRATION MSC MASTER AGREEMENT

### 1.38. ATTACHMENT A – SELLER’S MiCTA / ATALLIANCE PROGRAM OFFERING:

Seller agrees to provide the services, products, and/or resources listed below to Members at the pricing specified in their RFP response and any Best and Final Offer (BAFO) submission. Seller Programs result from the MiCTA / ATAlliance Video Integration Services (VIS), RFP #MSC-0008, and the MiCTA / ATAlliance Award Status of Endorsed - 2.

#### 1.38.1. Video Integration Services, Seller agrees to provide:

- 1.38.1.1. Needs Assessment, fee is waived for MiCTA / ATAlliance Members.
- 1.38.1.2. Facility / Physical Plant Audit, Seller works with Members’ certified architects and engineers on recommendations for room design.
- 1.38.1.3. Design Services
- 1.38.1.4. Programming Services, current development platforms include AMX Access, AMX Netlinx, Crestron SIMPL Windows / SIMPL+, Custom PC applications for control system communication, and C++, DCOM, etc.
- 1.38.1.5. Set-Up / Installation Services, provides an Installation Check List.
- 1.38.1.6. Conversion / Migration Services, Seller treats the same as new room installation.
- 1.38.1.7. Transmission Network Services, consultancy and Network Designers plan, design and implement network and connectivity solutions, and provide support for implemented solutions.
- 1.38.1.8. System Testing, includes testing each component, testing the system as a whole, interface test, stress test / load conditions, and security testing, a no charge Member service.
- 1.38.1.9. System Performance Acceptance, 30-day system performance acceptance period to validate system operation and performance is in compliance with the manufacturers published specifications, a no charge Member service.
- 1.38.1.10. Technical Support Services, Telephone support available from 7AM – 6PM EST, Monday through Friday via a toll-free number.
- 1.38.1.11. System Security, key elements include:
  - 1.38.1.11.1. Physical and electrical isolation between RS-366 on the Codec and on the IMUX.
  - 1.38.1.11.2. Use of an approved and certified data encryption device.
  - 1.38.1.11.3. Physical zone security and power isolation.
  - 1.38.1.11.4. Plan outline includes the totality of security safeguards needed to meet federal, state, and local specifications.
- 1.38.1.12. Service Level Agreements (SLA), Seller offers a three tiered Maintenance Agreement – Limited Level, Standard Level, and Enhanced Level – no system performance standards or Member recourse addressed.
  - 1.38.1.12.1. Projector Lamps are not covered under Seller’s Maintenance Agreement.
- 1.38.1.13. Help Desk Support – Technical Users, Functions the same as Technical Support Services, see Section 1.38.1.10 above, and Seller’s response to RFP Section 7.3.10.

- 1.38.1.14. Help Desk Support – Non-Technical End-Users, Functions the same as Technical Support Services, see Section 1.38.1.10 above, and Seller’s response to RFP Section 7.3.10.
- 1.38.1.15. Extended Warranty / Maintenance Services, Functions the same as SLA’s see Seller’s response to RFP Section 7.3.12.
- 1.38.1.16. Training Services, Seller developed a system that is customized to each Member’s needs, and negotiates training needs in the design and implementation phase of the project.
- 1.38.1.17. Professional / Consulting Services, Seller does not offer consulting services outside the integration industry.

Specific service elements and costs are as defined in Sellers response to RFP Section 7 – Integrator Qualifications and Clarification Report inquiries #22 through 35.

1.38.2. Video Equipment, Software, Supplies, Etc., Seller agrees to provide all components required to develop the following video rooms:

- 1.38.2.1. Distance Learning Rooms
- 1.38.2.2. Mediated Video Rooms
- 1.38.2.3. Telemedicine Rooms
- 1.38.2.4. Video Conferencing
- 1.38.2.5. Audio and Web Conferencing
- 1.38.2.6. Desktop Video Systems
- 1.38.2.7. Audio Visual Solutions
- 1.38.2.8. Private Network Gateways and Gatekeepers
- 1.38.2.9. Streaming Video Systems
- 1.38.2.10. Control System Upgrades
- 1.38.2.11. Tabletop Video Conferencing Systems
- 1.38.2.12. Stand-Alone Equipment Purchases

Components, product channels, product distribution, and return materials policy are as defined in Seller’s response to RFP Section 8 – Video Equipment Offering and Clarification Report inquiries #36 through 39.

1.38.3. Value Added Product / Service Offerings, Seller agrees to minimally provide the following:

- 1.38.3.1. Product / Service Interoperability Certification – based on ITU-T Standards.
- 1.38.3.2. Enhanced System Integration
- 1.38.3.3. Environmental Space Design
- 1.38.3.4. Video Streaming Options – *Distributed Learning Solution*
- 1.38.3.5. Project Management, consultation and custom services available upon request.
- 1.38.3.6. Audio / Web Conferencing, Seller does not currently provide this service

**1.39. MANUFACTURER PRODUCT LINES OFFERED:**

- 1.39.1. AMX
- 1.39.2. Audio-Technica
- 1.39.3. AutoPatch
- 1.39.4. Avaya
- 1.39.5. Belden
- 1.39.6. Biamp
- 1.39.7. Buhl Optical
- 1.39.8. Canon

- 1.39.9. ClearOne
- 1.39.10. Crestron
- 1.39.11. Crown Audio
- 1.39.12. Cyclades
- 1.39.13. Da-Lite
- 1.39.14. elo Touch Systems
- 1.39.15. Elmo
- 1.39.16. Epson
- 1.39.17. Extron Electronics
- 1.39.18. Hitachi
- 1.39.19. JBL
- 1.39.20. JVC
- 1.39.21. Leightronix, Inc
- 1.39.22. Liberty Wire and Cable
- 1.39.23. Marshall Electronics
- 1.39.24. MediaMatrix
- 1.39.25. Middle Atlantic Products, Inc.
- 1.39.26. Monivision
- 1.39.27. NEC
- 1.39.28. Navitar
- 1.39.29. Peavey
- 1.39.30. Peerless
- 1.39.31. Pointmaker
- 1.39.32. Polycom
- 1.39.33. Polyvision
- 1.39.34. RADVision
- 1.39.35. Samsung
- 1.39.36. Sanyo
- 1.39.37. Sennheiser
- 1.39.38. Shure
- 1.39.39. Smart Technologies, Inc.
- 1.39.40. Sony
- 1.39.41. Spectrum Industries, Inc.
- 1.39.42. Tandberg
- 1.39.43. TEAC
- 1.39.44. Teknor
- 1.39.45. TOA
- 1.39.46. USHIO
- 1.39.47. VanSan
- 1.39.48. VBrick Systems, Inc.
- 1.39.49. Wireless Computing
- 1.39.50. Zenith
- 1.39.51. Any other manufacturers and/or product lines Seller adds to their overall product line during the term of the VIS Agreement.

**1.40. GEOGRAPHICAL COVERAGE:**

Seller agrees to provide products and services directly to Members located in all fifty (50) states including the District of Columbia and Puerto Rico, as well as any other expanded services areas adopted by the Seller during the term of this Agreement.

**1.41. ATTACHMENT A EXECUTION:**

In Witness Whereof, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Attachment A, and have caused their duly authorized representatives to execute this Attachment.

**FOR: MICTA SERVICE CORPORATION**

  
\_\_\_\_\_  
John M. Rathje  
President / C.E.O.  
Date: 9-24-2004

**FOR: INNOVATIVE COMMUNICATIONS, INC.**

  
\_\_\_\_\_  
Authorized Signature  
THOMAS W SPAUDE  
\_\_\_\_\_  
Authorized Agent (Print or/Type)  
Title: PRESIDENT  
\_\_\_\_\_  
Date: 9-23-2004



## VIDEO INTEGRATION MSC MASTER AGREEMENT

### 1.42. ATTACHMENT B – SELLER’S PROGRAM PRICING:

Seller agrees to offer all Members the services, products, and resources quoted in the Video Integration Services, RFP #MSC-0008, at the costs outlined in the Seller’s RFP response, Clarification Report, Financial Inquiry Request, and any Best and Final Offer (BAFO) submission. Seller also agrees to immediately update their pricing with MiCTA / ATAlliance as changes become effective. Seller’s Price List and cost calculations are as described below.

#### 1.42.1. Hardware / Software / Component Pricing:

1.42.1.1. Seller’s program costs will be computed based on cost plus a defined percentage.

1.42.1.1.1. Cost Plus 10%: Commodity purchases (box sales) that require no initial configuration, integration, or post-purchase technical support or training.

1.42.1.1.2. Cost Plus 20%: Commodity purchases that require some initial in-shop configuration, integration, and post-purchase technical support and training.

1.42.1.2. Seller agrees to provide MSC with all pertinent information regarding their manufacturer’s price list updates as they become available.

1.42.1.3. Current Seller cost plus structure will remain the same unless the Seller initiates a more favorable pricing structure for the MiCTA / ATAlliance program.

1.42.1.4. New products will be added and priced consistent with the current product category that it corresponds with per manufacturer and product listed on the current Price Lists.

#### 1.42.2. Seller’s Hourly Service Rates:

1.42.2.1. Project Director - \$85 / Hour from 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.

1.42.2.1.1. Travel Time Rate - \$55 / Hour, billed in full-hour increments, maximum number of billable hours and cost will be as agreed upon by the Seller and Member, and submitted in writing as part of the purchasing commitment.

1.42.2.1.2. Overtime and Weekend Hourly Rate- \$127.50 / Hour from 6PM to 9PM, billed in full-hour increments beginning from arrival at worksite to departure.

1.42.2.1.3. Holiday Hourly Rate - \$170 / Hour, 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.

1.42.2.2. On-Site Project Manager - \$85 / Hour from 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.

1.42.2.2.1. Travel Time Rate - \$55 / Hour, billed in full-hour increments, maximum number of billable hours and cost will be as agreed upon by the Seller and Member, and submitted in writing as part of the purchasing commitment.

1.42.2.2.2. Overtime and Weekend Hourly Rate - \$127.50 / Hour, from 6PM to 9PM, billed in full-hour increments beginning from arrival at worksite to departure.

1.42.2.2.3. Holiday Hourly Rate - \$170 / Hour, 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.

1.42.2.3. On-Site Project Technician - \$85 / Hour from 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.

- 1.42.2.3.1. Travel Time Rate - \$55 / Hour, billed in full-hours, maximum number of billable hours and cost will be as agreed upon by the Seller and Member, and submitted in writing as part of the purchasing commitment.
- 1.42.2.3.2. Overtime and Weekend Hourly Rate - \$127.50 / Hour, from 6PM to 9PM, billed in full-hour increments beginning from arrival at worksite to departure.
- 1.42.2.3.3. Holiday Hourly Rate - \$170 / Hour, 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.
- 1.42.2.4. Miscellaneous Services – \$85 / Hour from 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.
  - 1.42.2.4.1. Travel Time Rate - \$55 / Hour, billed in full-hour increments, maximum number of hours and cost will be as agreed upon by the Seller and Member, and submitted in writing as part of the purchasing commitment.
  - 1.42.2.4.2. Overtime and Weekend Hourly Rate - \$127.50 / Hour, from 6PM to 9PM, billed in full-hour increments beginning from arrival at worksite to departure.
  - 1.42.2.4.3. Holiday Hourly Rate - \$170 / Hour, 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.
- 1.42.3. Travel and Per Diem Expenses:
  - 1.42.3.1. Airfare – Coach Class at actual ticket cost.
  - 1.42.3.2. Rental Car – Mid-Size at actual rental car rate.
  - 1.42.3.3. Accommodations – Average not to exceed rate for a three star hotel with the approval of the Member.
  - 1.42.3.4. Meals and Tips:
    - 1.42.3.4.1. Breakfast - \$10 / Day – In-transit between 6AM and 9AM.
    - 1.42.3.4.2. Lunch - \$10 / Day – In-transit between 11AM and 2PM.
    - 1.42.3.4.3. Dinner - \$20 / Day – In-transit between 5PM and 9PM.
  - 1.42.3.5. High Cost Cities – add an additional 50% to accommodations and meal allowance with prior approval of Member.
    - 1.42.3.5.1. High cost cities will be as defined by the Internal Revenue Service (IRS) Publication 1542, Per Diem Rates, most recent revision.
- 1.42.4. Volume Discount Offer:
  - 1.42.4.1. Seller agrees to make every effort to offer volume discounts to Members for one-time purchases, which will be determined at time of purchase.
  - 1.42.4.2. Seller agrees to make every effort to secure extended price protection and additional discounts with distributors and manufacturers based on extended and/or future Member purchases and conversions.
  - 1.42.4.3. Seller agrees to pass on to Members any additional discounts including early payment, volume incentives, end-of-month/quarter/year specials, or other discounts made available by manufacturers.
- 1.42.5. Trade-In / Upgrade Options:
  - 1.42.5.1. Seller recognizes and adheres to any manufacturer’s trade-in / upgrade programs they represent and promote, and will support all manufacturers provided product and pricing incentives.
  - 1.42.5.2. Seller agrees to offer the Tech Refresh Program through Avaya Financial Services, a leasing partner.
- 1.42.6. Other Billable Costs:
  - 1.42.6.1. Minimum Order Requirement – Seller requires a minimum order value of \$50 per order.

- 1.42.6.2. Late Payment Fee – Seller will not charge a late payment fee.
- 1.42.6.3. Return Materials Authorization – Seller will not assess an RMA fee if the return is for technical malfunction within the warranty period. If the RMA request exceeds the warranty period, standard labor rates apply to troubleshoot and service.
  - 1.42.6.3.1. Seller assumes responsibility for all unsolicited or damaged shipments, which will require an RMA issued to schedule pickup and return.
- 1.42.6.4. Restock Fee – Seller will not order equipment until receipt of valid Purchase Order or Letter of Intent from the Member acknowledging the Restock Fee policy. Seller will charge a 15% Restock Fee after Seller's receipt of equipment.
  - 1.42.6.4.1. Approval for return products after 30-days is based on manufacturer's willingness to accept the product back.
  - 1.42.6.4.2. Seller agrees to assume responsibility for any unsolicited or damaged shipments, and Member will not incur any costs or fees related to the return of these products.
- 1.42.7. Service Costs:
  - 1.42.7.1. Needs Assessment – no set fee established for a standard amount of time; therefore, standard labor rates will apply to all services – See Section 1.42.2 above.
  - 1.42.7.2. Facility / Physical Plant Audit – See Section 1.42.7.1 above.
  - 1.42.7.3. Design Services - See Section 1.42.7.1 above.
  - 1.42.7.4. Programming Services – On-Site (Member Location) and Remote-Site (Seller's Location) - \$125 / Hr from 7AM to 6PM, billed in full-hour increments beginning from arrival at worksite to departure.
    - 1.42.7.4.1. Travel Time Rate - \$55 / Hour, billed at full-hour increments beginning from arrival at worksite to departure.
    - 1.42.7.4.2. Overtime and Weekend Hourly Rate - \$187.50 / Hour from 6PM to 9PM, billed in full-hour increments beginning from arrival at worksite to departure.
    - 1.42.7.4.3. Holiday Hourly Rate - \$250 / Hour from 7AM to 6PM, billed full-hour increments beginning at arrival at worksite to departure.
    - 1.42.7.4.4. Per Diem – Same rates apply as stated in above Agreement Section 1.42.3 – Travel and Per Diem Expenses.
  - 1.42.7.5. Set-Up / Installation Services – Rates – See Section 1.42.7.1 above.
  - 1.42.7.6. Conversion / Migration Services – See Section 1.42.7.1 above.
  - 1.42.7.7. Network Interface Options – All services, except ATM, are billed at standard labor rates listed in Section 1.42.2 above. ATM services are billable at Programming / Engineering rates as listed in Section 1.42.7.4 above.
  - 1.42.7.8. System Testing – See Section 1.42.7.1 above.
  - 1.42.7.9. System Performance – See Section 1.42.7.1 above.
  - 1.42.7.10. Technical Support Services – Seller offers Time/Materials, Prepaid Calls, and the following three levels of Annual Service Agreements:
    - 1.42.7.10.1. Limited Level – 2% of Cost of Equipment
    - 1.42.7.10.2. Standard Level – 6% of Cost of Equipment
    - 1.42.7.10.3. Enhanced Level – 9% Cost of Equipment
    - 1.42.7.10.4. Projector lamps not covered under Maintenance Agreements, Hours are 7AM – 6PM, EST, Monday through Friday, and based on 12-Month term – See RFP Section 13.9.13.
  - 1.42.7.11. Service Level Agreements (SLA) – Seller does not offer standard or negotiated SLA's

- 1.42.7.12. Help Desk Services – Same rates as listed in RFP Section 1.42.2 and 1.42.7.10 above based on Seller’s response to RFP Section 13.8 – Integrator Hourly Rates and 13.9 – Vendor Service Costs.
- 1.42.7.13. Extended Warranty – Same rates as listed in RFP Section 1.42.7.10 above based on Seller’s response to RFP Section 13.9.12.
- 1.42.7.14. Training Services – Seller provides a 2-4 hour training session with up to 4 participants at no additional cost.
  - 1.42.7.14.1. Seller will provide additional training sessions based on customers’ equipment, level of technical / non-technical abilities, degree of knowledge required to operate equipment, and will provide a custom quote.
  - 1.42.7.14.2. Documentation / Manuals – Seller will provide bound copies of manuals and training materials delivered during the training sessions at no additional charge.
- 1.42.7.15. Project Management and Contract Labor, rates are those listed in Section 1.42.2 above based on Seller’s response to RFP Section 13.9.
  - 1.42.7.15.1. Seller requires an initial discovery meeting , at no additional charge, to discuss Member’s requirements
  - 1.42.7.15.2. Seller offers consultation services in room design, equipment selection, equipment specifications, as-built drawings, and control system programming
- 1.42.8. All service rates and fees are as defined in Seller’s response to RFP Sections 7 – Integrator Qualifications, Section 8 – Video Equipment Offering, Section 13 – Program Cost Elements, and all related Clarification Report inquiry responses.

**1.43. ATTACHMENT B EXECUTION:**

In Witness Whereof, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Attachment B, and have caused their duly authorized representatives to execute this Attachment.

**FOR: MICTA SERVICE CORPORATION**

  
 John M. Rathje  
 President / C.E.O.  
 Date: 9-24-2004

**FOR: INNOVATIVE COMMUNICATIONS, INC.**

  
 Authorized Signature  
 THOMAS W. SPRUDE  
 Authorized Agent (Print or Type)  
 Title: PRESIDENT  
 Date: 9-23-2004



## VIDEO INTEGRATION MSC MASTER AGREEMENT

### 1.44. ATTACHMENT C – MEMBER PARTICIPATION CONTRACT:

Members, purchasing products and services from this VIS Agreement, reserve the right to exercise the option to enter into an individual Member Participation Contract. The Participation Contract is the legal binding written contract between Seller and Member to provide products, services, and/or support at the prices offered and awarded under RFP #MSC-0008. The Contract will further define additional purchasing terms and conditions required by a Member's organization. For purposes of this Participation Contract, MiCTA, the ATAlliance, and/or their members will herein be referred to jointly as Member(s). Any additional terms and conditions will be negotiated directly by the Member and Seller.

#### 1.44.1. Appropriated Funding:

Members purchasing through the VIS Master Agreement awarded under RFP #MSC-0008 may be subject to yearly appropriated funding. Therefore, Member reserves the right to cancel multi-term Member Participation Contracts within sixty-days of the anniversary date whenever funds 1) failed appropriation or 2) otherwise made unavailable to support continuation or performance in any fiscal year succeeding the first. Member recognizes that this does not affect either the Member's rights or the Seller's rights under any termination clause in the Master Agreement.

#### 1.44.2. Performance Bond:

Seller agrees, upon Member request, to provide a performance (surety) bond upon execution of a Member Participation Contract pursuant to the VIS Master Agreement. The performance bond will insure successful performance under the terms and conditions of the Master Agreement negotiated between the Seller and MSC, and the terms and conditions set forth in the Member's Participation Contract. The bond amount and due date will be as negotiated and agreed upon by both the Seller and Member prior to entering into the final Participation Contract. Additionally, the Seller agrees to provide the performance bond in a form and substance acceptable to the Member. The performance bond shall be subject to forfeiture for failure to perform successfully the obligations defined under these contracts. Additionally, Seller's failure to provide a required Performance Bond may result in the Member terminating the purchase agreement. Member agrees to be responsible for the actual cost of the Surety Bond.

#### 1.44.3. Payment Reserve:

Seller agrees, upon Member request, to negotiate an acceptable payment schedule "reserve," i.e. percentage of the entire contract, which will not be paid until Member signs off on the final system acceptance based on stated performance and system standards.

#### 1.44.4. Member Governing Laws:

Member Participation Contracts shall be governed by and construed in accordance with the laws of the state in which the Member organization resides, excluding any conflicts of law provisions. Any litigation with respect thereto shall be brought in the courts of the Member's state. Seller, who provides products and services under this Contract, agrees to comply with all applicable federal, state, and local laws and regulations.

#### 1.44.5. Financial Stability:

Seller acknowledges that Members rely on Seller's annual and quarterly financial statements and any required Security and Exchange Commission Certification Reports as a measure of Seller's financial strength and ability as an ongoing business concern to fulfill its obligations under any resulting VIS Master Agreement. By signing this agreement, Seller represents that, to the best of its knowledge in all material respects, it has and will continue to accurately report its financial affairs. If disclosed that Seller has failed to 1) conduct its financial reporting activities in compliance with generally accepted accounting principles or 2) to comply with applicable Federal security laws and regulations, and such disclosure

reveals a material deterioration of Seller's financial viability as an ongoing business concern, Member contract commitments may be reduced by 100%.

Seller agrees in the event of a material change in the financial condition of the Seller, including without limitation, a default on loan covenants, de-listing of publicly traded stock on any recognized exchange on which they are traded, bond rating classified as "junk" bond status or lower, assignment of receivables, or a voluntary or involuntary filing for protection from creditors or reorganization of debt in a bankruptcy, liquidation or other similar proceeding of any kind, the Term of any Contract and/or Master Agreement shall revert automatically to month-to-month for all purposes under the VIS Master Agreement and Member Participation Contract. Member shall automatically consider any commitments achieved for the Contract and/or rates, and all discounts shall continue as they are at the time of the events.

**1.44.6. Insurance Requirements:**

Seller and their Subcontractor(s) awarded the VIS Agreement agrees to, at their own expense, obtain, keep in force and maintain appropriate insurance coverage for all activities performed on Member's site in connection with the products and services requested under this RFP. Seller agrees to provide, at a Member's request, an appropriate Certificate of Insurance evidencing coverage, and provide prior written notice of any occurrence of modification, material change, or coverage cancellation during the term of Member's Participation Contract. Coverage should minimally include the following:

- 1.44.6.1. Workers Compensation Insurance.
- 1.44.6.2. Comprehensive General Liability Insurance – Bodily Injury/Property Damage.
- 1.44.6.3. Services / Products / Completed Operations Aggregate.
- 1.44.6.4. Automobile Insurance.

**1.44.7. Source Code:**

Seller agrees to provide a copy of Member's source code upon request, at no additional charge to the Member. In the event of Seller's failure, Members will still obtain support for their products from the manufacturers direct.

**1.44.8. Copyright Requirements:**

Seller represents and warrants that it is the lawful owner or licensee of any products / services licensed or sold to Members, developed by either the Seller or Manufacturer under the VIS Master Agreement, has all rights necessary to provide proof to the Member of ownership rights or licensed use, as applicable, of any and all products / services made available under the resulting VIS Master Agreement.

**1.44.9. Contracted Programming Services:**

Seller, contracted to write programming code on behalf of a Member either on-site or off-site, which will support the Member's video room control system such as AMX, Crestron or other programmable devices, agrees that all rights to the source code and password remain the property of the Member, and Seller will provide a copy of the source code that can be edited to the Member.

**1.44.10. Indemnification:**

Seller, to the extent permitted by law, shall indemnify, defend, and hold harmless the Member from and against all losses, liabilities, damages, and all related costs and expenses incurred in connection with any action or proceeding threatened or brought against the Member to the extent that such action or proceedings are based on a claim that any product / service provided by the Seller or its Subcontractors, the use of such products / services, or reproduction of any documentation provided infringes on any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

Any product / service or use thereof, which in the Member or Seller's opinion is likely to become the subject of a claim of infringement, the Seller shall, at Seller's sole expense, be responsible to:

- 1.44.10.1. Procure for the Member the right to continue using the product, service, or documentation.
- 1.44.10.2. Replace or modify to the Member's satisfaction the same with products, services, or documentation of equivalent function and performance allowing it to become non-infringing.

1.44.10.3. Accept the return of products, services, and documentation with appropriate Member credits applied to the Seller's charges, and reimburse the Member for any losses or costs incurred as a consequence of the Member ceasing its use and returning said products, services, documentation.

**1.44.11. Member Project Schedule:**

Member and Seller agree to negotiate a schedule for providing required integration services, product delivery, product testing, system acceptance, and payment requirements prior to Member placing an order and Seller's acceptance of the order. The agreed upon schedules will be made in writing, and become attached to and made part of the final Member Participation Contract.

**1.44.12. Seller Service Conditions:**

Member reserves the right to include any/all of the following product and service terms and conditions as part of their Member Participation Contract. Seller will be required to identify any billable costs for providing these terms and conditions as part of their written proposal to the Member.

1.44.12.1. Site Survey: Seller agrees to provide a detailed site survey, at Member's request, which will identify various cable runs and cable management requirements associated with the proposed system.

1.44.12.1.1. Seller, at their own expense, will be responsible for providing all required installation components not previously identified due to the Seller's failure to perform a Member requested site survey.

1.44.12.2. New, Pre-Owned, Combination: Seller agrees to clearly state whether either they or their subcontractor(s) / reseller(s) are offering equipment, components, and materials that are new, pre-owned or a combination, and provide applicable pre-owned warranty information in writing to the Member prior to accepting an order confirmation.

1.44.12.3. Installation Services: Seller agrees to provide installation services for all equipment and components included as part of the Member's video room proposal, and guarantee all are fully operational, interoperable with other room components, and will perform as publicized.

1.44.12.4. Installation Materials: Seller agrees to supply all required parts and materials including, but not limited to, components, cable, wire, connectors, labor, etc. required for a successful video room installation, and agrees to:

1.44.12.4.1. Adhere completely to equipment manufacturer's standard installation recommendations.

1.44.12.4.2. Abide by all standard broadcast wiring and installation practices, and meet or exceed current industry standards for these services.

1.44.12.4.3. Supply appropriate power protection equipment to protect against electrical surges for all video equipment and components installed upon Member request.

1.44.12.5. Electrical: Seller agrees to work with Member's architect and/or engineers to guarantee circuit polarity (i.e. cables are not wired with polarity reversal between connectors with respect to either end), and for constant polarity to be sustained.

1.44.12.6. Component Verification: Seller agrees to demonstrate all video room components to be in excellent working order, free of short circuits, ground loops, video noise, excessive system noise (i.e. beyond published equipment specifications, hum, RF interference, etc.), and any other forms of instability.

1.44.12.7. Documentation: Seller, upon completion of the room installation, agrees to provide the Member the following:

1.44.12.7.1. Complete equipment list including, but not limited to, product name, quantity purchased, manufacturer, model name/number, serial number, etc.

1.44.12.7.2. Manufacturer's Technical Data sheets for each piece of equipment / component included in the room.

1.44.12.7.3. Owner's Manuals for all equipment and components.

1.44.12.7.4. Equipment Block Diagram of the installed room including a color schematic, which identifies detailed connections to each piece of equipment / component, labeling, etc., and a full Room Design Layout.

**1.44.13. Service Level Agreement (SLA):**

Member reserves the right to either select the Seller's standard SLA agreements, or negotiate an SLA that meets their specific organizational requirements. Service Level Agreements must minimally address:

- 1.44.13.1. Specific hardware and/or software to be covered.
- 1.44.13.2. Define Seller's measurable standards of performance and/or Quality of Service.
- 1.44.13.3. Identify Member / Seller responsibilities under the SLA agreement.
- 1.44.13.4. State Member's recourse for system and/or hardware / software failure.
- 1.44.13.5. Any other Member defined elements that are mutually agreed upon with the Seller.

**1.44.14. Alternate Product Sourcing:**

Member reserves the right to secure products and/or services from other Endorsed or Approved supplier whenever it is in the best interest of the Member. Member will be responsible for notifying the Seller prior to acquiring the alternate product or service. Seller, providing integration or installation services, agrees to:

- 1.44.14.1. Review with the Member any potential effects the product / service change may create in the overall project.
- 1.44.14.2. Integrate approved products and services into the Member's video program.

**1.44.15. Workmanship Warranty:**

Seller agrees to provide an Integration Warranty of workmanship for not less than one year from the date of the Member's final system acceptance. Member "sign-off", negotiated as part of the Member Project Schedule, Section 1.44.11, will determine the final system acceptance date. Seller agrees to be responsible for all cost of labor, field service, additional equipment or supplies, and pick-up and delivery related to repairs or corrections during this warranty period. Seller will provide Members with the Workmanship Warranty at no additional costs.

**1.44.16. Liquidated Damages:**

Seller and Member will negotiate the terms and conditions of Liquidated Damages, which includes but is not limited to defining downtime, identifying recourse for damages incurred and determining how damages will be liquidated, that will be agreed upon in writing and become part of the Member Participation Contract.

**1.44.17. Participation Contract Termination:**

Member reserves the right to terminate their individual Participation Contract at any time, at its sole discretion, by delivering a written notice to the Seller thirty-days (30) prior to the required termination date. Upon termination, the Member's liability will be limited to the pro-rata cost of the products and services delivered / performed as of the date of termination plus expenses incurred with the prior written approval of the Member.

Seller who elects to terminate the Participation Contract for any reason whatsoever, will refund the Member all payments made hereunder to the Seller for products and services not completed and/or not accepted by the Member.

- 1.44.17.1. Contract termination notices must be in writing and delivered to the Member's designated agent not less than ninety (90) days prior to termination, and refunds delivered within ten (10) working days of the date of Seller's termination notice.

**1.44.18. Member Invoice Terms:**

- 1.44.18.1. Seller agrees to provide monthly invoices directly to the Member, which shall include a detailed breakdown of all products and/or services provided.
- 1.44.18.2. Seller agrees to provide Members with invoice terms of Net 30-Days after shipment of hardware and after customer acceptance of installation and/or services.

1.44.18.2.1. Seller offers a special MiCTA / ATAlliance discount terms of 1%/10-Days for Members requesting the early payment option from Seller's Accounts Receivable Department prior to submitting their order.

1.44.18.3. Payment Method – Seller requires large dollar orders and integration projects use the preferred payment method of 50% upon receipt of equipment, 40% upon substantial completion, and 10% upon customer sign-off.

1.44.18.3.1. Seller agrees to facilitate leasing options through Avaya Financial Services (CIT Group).

1.44.18.4. Payment Options – Seller agrees to accept cash, checks, electronic fund transfers, and Visa or MasterCard.

1.44.18.4.1. Payments made by Visa or MasterCard are subject to an additional 2% Processing Fee.

**1.44.19. Freight Terms:**

Seller and/or its subcontractors agree, if providing hardware or software to Members, to provide Freight Terms as defined below:

1.44.19.1. Seller agrees to provide shipping terms of F.O.B. Destination-: Member's receiving Dock, ground transportation within the Continental U.S.A. charges are included in component costs.

1.44.19.1.1. Transfer of title and risk of loss pass to the Member upon receipt of the shipment at Member's loading dock.

1.44.19.1.2. Damaged Shipments – Seller will resolve shipping and delivery problems on behalf of Member. Member must report all problems to Seller's representative at 1-989-754-5040 within 30-days of receipt of shipment.

1.44.19.2. Seller agrees to identify all freight charges, for unique purchases requiring shipping costs be invoiced "Prepay and Add", prior to accepting a Member's Participation Contract.

1.44.19.3. Expedited, overnight or other special delivery requirements, other than ground transportation within the Continental U.S.A., will be prepaid and add to the Member invoice at actual cost, upon Member request and approval.

**1.44.20. Hardware/Software Compatibility:**

Seller agrees, if providing Member with hardware or software products, to fully disclose any hardware / software compatibility issues to the Member, which minimally includes the following:

1.44.20.1. Seller agrees to notify both the Member and MSC, in writing, of any/all compatibility and/or interoperability issues between hardware, peripheral or software provided by the Seller.

1.44.20.2. Seller agrees to provide equipment configurations that meet or exceed all applicable industry standards, and are interoperable with all other system components.

1.44.20.3. Seller agrees, at Member's request, to provide an on-site evaluation or survey of Member's existing systems and software prior to ordering and installing equipment, and alert Member to any/all known interoperability and compatibility issues that must be addressed.

1.44.20.4. Seller agrees to notify the Member entering into a participation contract of any additional electronic premise equipment that is required to interface to the hardware, peripherals, or software being provided.

1.44.20.5. Seller shall not be held responsible for products which fail to perform as designed as a result of any additions or modifications to the products and/or services not performed by the Seller, or resulting from the Member's use of the products and/or services in conjunction with the Member's other software and/or systems which have not been reviewed and approved by the Seller prior to order and installation.

**1.44.21. System Acceptance:**

Seller and Member will agree, in the Participation Contract, upon specific system acceptance conditions including performance standards, measurement criteria, equipment test and acceptance timeline, payment

terms, etc. prior to the start of work. System acceptance will begin thirty (30) days after the Seller has completed installation, system testing, a successful performance period, and required Member training has been completed.

- 1.44.21.1. Seller agrees to develop a Punch List of items that does not meet the Member's satisfaction during the System Acceptance period, and agrees to complete corrections on all listed items within a time period mutually agreed upon by Member and Seller.
- 1.44.21.2. Seller agrees to provide a not to exceed 30-day Test and Acceptance period for all products and services offered by the Seller under this Agreement, which will address performance standards mutually agreed upon by the Member and Seller prior to entering into the Participation Contract.
- 1.44.21.3. Seller agrees, in the event of equipment and/or service failure, to make the appropriate changes to bring the system up to the manufacturer's specifications during the 30-day Test and Acceptance period, and extend the System Acceptance period by a mutually agreed upon time to allow for additional testing.
- 1.44.21.4. Member agrees, upon successful completion of the system acceptance period, to execute and deliver Seller's Acceptance Certificate duly signed, dated, and evidencing the Member's acceptance of services and/or products.
- 1.44.21.5. Seller assumes all responsibility for issues and/or concerns arising in setup, installation, and general system testing when a subcontractor is utilized to complete this process.

**1.44.22. Title and Risk Allocation:**

Seller agrees to provide good title, upon the final System Acceptance Date, for all products and services, which shall be free and clear of all liens, pledges, mortgages, encumbrances, or other security interests. Title to and risk of loss of the system and each VIS component shall pass to the Member upon written authorization on the System Acceptance Date.

**1.44.23. Seller Hardware/Software Warranty:**

Seller and/or its subcontractors agree, if providing hardware or software products to Members, to provide a Seller's Hardware/Software Warranty that minimally includes the following:

- 1.44.23.1. Seller warrants the infrastructure operation and capacity based on the system specifications and design.
- 1.44.23.2. Seller's warranty will commence upon the Acceptance Date, continue for one full year, and will be provided at no additional cost to the Member.
- 1.44.23.3. Seller warrants that all products and services, provided under this Agreement to Members, conform to all RFP requirements and all representations contained in the Seller's RFP response, presentation, and/or and technical demonstration.
- 1.44.23.4. Seller guarantees that the use of non-certified installation and/or service technicians will not void any manufacturer's product warranty.
- 1.44.23.5. Seller agrees that all warranty service provided under this Agreement to Members shall be performed by manufacturer trained, certified, and authorized technicians.
- 1.44.23.6. Seller agrees to act as the sole point of contact for warranty service.
- 1.44.23.7. Seller warrants it will pass through to Members any and all warranties obtained or available from the original equipment manufacturer (OEM) only, including any replacement, upgrades, or additional equipment warranties.
- 1.44.23.8. Seller agrees that any shipment received damaged or "dead on arrival" (DOA) will be immediately replaced with new equipment via priority shipping by the Seller or manufacturer.
- 1.44.23.9. Seller agrees that damaged or DOA shipments will be issued an RMA and freight Call Tag, and returned either at the Seller's or manufacturer's expense.

**1.44.24. Firm Order Cancellation/Termination:**

1.44.24.1. Seller and its subcontractors agree, for purpose of this Agreement, "Firm Order" is defined as a Member's duly signed purchase order or other selected vehicle for order authorization. Seller and its subcontractors agree that a Member has the right to cancel a "firm order" anytime::

1.44.24.1.1. Prior to the Seller placing the Seller's order for hardware/software or committing to services.

1.44.24.1.2. After the Seller's order for hardware/software has been placed and prior to receipt of the shipment by the Seller. The Member will only be responsible for payment of the Seller's "order cancellation" charge not to exceed 5% of the cost of the products/services.

1.44.24.1.3. After hardware and software have been received by the Seller and prior to installation. The Member will only be responsible for payment of manufacturer's published restock charge plus freight and insurance charges to return shipment.

1.44.24.2. Member will have just cause to terminate a "Firm Order", without penalty or payment, due to missed delivery and/or installation deadlines. Failure of Seller to perform as agreed to will be reported by the Member to MSC for review.

**1.44.25. Compliance With Law:**

Seller and its subcontractors shall, at their own expense, operate in full compliance with all laws, rules and regulations applicable to, and maintain in force all licenses and permits required by the states in which they conduct business.

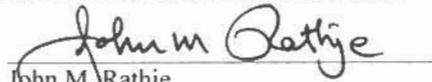
**1.44.26. Other Member Institution / Organizational Terms and Conditions:**

Member will list any institution / organization specific terms and conditions required prior to purchasing from the Seller under the VIS Master Marketing Agreement.

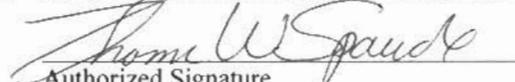
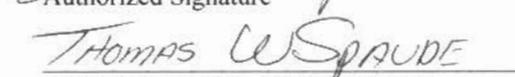
**1.45. ATTACHMENT C EXECUTION:**

In Witness Whereof, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Attachment C, and have caused their duly authorized representatives to execute this Attachment.

**FOR: MICTA SERVICE CORPORATION**

  
\_\_\_\_\_  
John M. Rathje  
President / C.E.O.  
Date: 9-24-2004

**FOR: INNOVATIVE COMMUNICATIONS, INC.**

  
\_\_\_\_\_  
Authorized Signature  
  
\_\_\_\_\_  
Authorized Agent (Print/Type)  
Title: PRESIDENT  
Date: 9-23-2004



## VIDEO INTEGRATION MSC MASTER AGREEMENT

### 1.46. ATTACHMENT D – COMMISSION/RESTRICTIONS:

Upon acceptance of an order by Seller, Seller agrees to:

- 1.46.1. Pay MSC a commission fee of not less than two percent 2% of the total gross sales revenue generated from any MiCTA / ATAlliance account for products and services offered by the Seller under the MiCTA / ATAlliance VIS program. For purposes of this Agreement:
  - 1.46.1.1. MiCTA / ATAlliance Account shall mean a MiCTA / ATAlliance Member, MiCTA / ATAlliance Eligible entity, and/or non-member entity that purchases products or services offered by the Seller under the MiCTA / ATAlliance VIS program.
    - 1.46.1.1.1. Requests for non-Member entity usage of the MiCTA / ATAlliance VIS program will be considered on a case-by-case basis with Seller and MSC mutually agreeing upon the terms and conditions of the transaction in writing. All Commission / Restrictions terms and conditions as defined in Attachment D will apply.
  - 1.46.1.2. Total Gross Sales Revenue is defined as the total amount invoiced of any/all products, services, maintenance/support agreements and lease agreements purchased from the Seller, or continuing from primary recurring revenue purchases under the MiCTA / ATAlliance VIS program.
  - 1.46.1.3. Commissionable Revenue shall mean Seller's total gross sales revenue invoiced to MiCTA / ATAlliance Accounts associated with sales of Seller's products, services, maintenance/support agreements, or lease agreements under the MiCTA / ATAlliance VIS program.
  - 1.46.1.4. Exception - Any project MSC, MiCTA and/or the ATAlliance directly coordinates between Seller and another MiCTA / ATAlliance program provider to benefit a MiCTA / ATAlliance Member, and designates such project as an exception and defines the terms of the relationship in writing to the Seller prior to the issuance of a purchase agreement.
  - 1.46.1.5. MSC will make every effort to negotiate additional terms to assist in favorable outcomes whenever Seller notifies MSC of Member RFP submissions for VIS services and/or products that will not allow Seller to be competitive with the above agreed upon 2% commission fee.
- 1.46.2. Unless otherwise agreed in writing by MSC, Seller shall pay commissions, fees or compensation to MSC pursuant to the following provisions:
  - 1.46.2.1. Seller agrees that MSC commissions are due and payable on all MiCTA / ATAlliance Account sales/purchase agreements for products and services within the scope of RFP #MSC-0008, and additional items as referenced in Attachment A.
  - 1.46.2.2. Seller agrees to pay commission fees monthly with payments due on or before the fifteenth (15th) of the month following the monthly close.
  - 1.46.2.3. Seller agrees that all unpaid or late commission fees will be subject to an additional two percent (2%) Monthly Service Charge, compounded monthly, until paid in full.
  - 1.46.2.4. Seller agrees to pay the Membership Fee for any MiCTA / ATAlliance eligible organization utilizing this Agreement prior to obtaining membership, and will pay all commission fees on all sales to such organizations.

- 1.46.2.5. Seller agrees to pay all commission fees on all sales to non-MiCTA / ATAlliance eligible organizations utilizing the negotiated pricing, terms, warranties, and/or benefits of the Seller's MiCTA / ATAlliance program.
- 1.46.2.6. Seller will pay the MSC commission fee on all sales of products and services to Members purchasing any/all of the products and services offered by the Seller.
- 1.46.2.7. Seller agrees to pay commission fees on all products and/or services added to the Agreement.
- 1.46.2.8. Seller agrees to pay all commission fees on all recurring revenue products and/or services, such as but not limited to Maintenance/Support agreements, for the continuing term of each individual Member agreement.
- 1.46.2.9. Seller shall be responsible for payment of all pending MSC commissions due from sales revenues generated by this Agreement up through the actual date of cancellation.
- 1.46.2.10. Seller will pay MSC's commission fee on all MiCTA / ATAlliance account purchases and participation contracts commencing during the six (6) month period following the expiration of this agreement or cancellation/termination notice by either the Seller or MSC.
- 1.46.2.11. Seller agrees to be responsible for all legal and professional costs and fees incurred by MSC in the process of collecting delinquent commission fees, service charges, and reports.
- 1.46.3. Seller will be responsible for payment of all negotiated fees, including but not limited to commissions due, estimated commission fees lost, legal and professional fees, and any cost associated with the negotiation of a contract buyout for any sale/merger that does not include the MSC Agreement in the sale/merger agreement.
- 1.46.4. MSC will not guarantee a minimum sales volume or estimate sales volume for the Video Integration Services Agreement.

**1.47. SALES/COMMISSION REPORTS:**

Seller agrees to notify MSC of all sales and/or service commitments with Members and MiCTA / ATAlliance eligible institutions. The report must minimally include the Member or customer name, contact name/number, description of purchase, amount of purchase, date purchased, estimated delivery date, and MSC commission due. Reports must be submitted by the 15th of the month following the monthly close.

- 1.47.1. Monthly reports are sent to:
  - MiCTA Service Corporation
  - Attn: Commission Report, 0709MSC-E20034
  - 1500 West High Street
  - Mt. Pleasant, MI 48858
- 1.47.2. Sales/Commission Reporting Process:
  - 1.47.2.1. Monthly reports shall include a copy of Seller's executed Purchase Agreements or Sales Confirmation between Member and/or MiCTA / ATAlliance eligible institutions and the Seller.
  - 1.47.2.2. Seller is required to submit an annual report of all Member and MiCTA / ATAlliance eligible institution purchases within 30-days of the Seller's fiscal year close.
  - 1.47.2.3. Failure to report Member sales in their entirety may result in legal action being taken, Seller's Endorsed - 2 status being immediately terminated, and/or other penalties.

**1.48. SALES/COMMISSION AUDIT:**

MSC reserves the right to perform an independent audit, by MSC designated auditors, of the Seller's hardware, software, service sales, and MSC commission fees, on an annual basis.

- 1.48.1. Seller will be required to comply with a MSC request for audit within fifteen (15) working days of receiving the written request.
- 1.48.2. Seller will be held responsible for all commission fees and service charges for all unreported MiCTA / ATAlliance Accounts gross sales revenue revealed during an audit.
- 1.48.3. Seller will be held responsible for payment of all legal and professional fees and costs incurred by MSC for any required audit and/or legal action required to collect delinquent commissions and service charges.

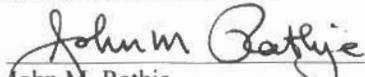
**1.49. SURVIVORSHIP OF PROVISIONS:**

All Seller's products purchased, and Seller's services performed pursuant to this Agreement shall be bound by all of the Terms and Conditions set forth herein notwithstanding the expiration of the term of this Agreement. The Commission/Restrictions, Sales/Commissions Reports, and Sales/Commission Audit, as defined in this Attachment, shall remain operative for so long as the products and services remain in use.

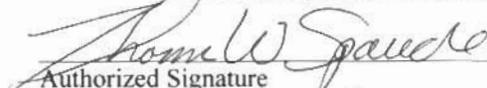
**1.50. ATTACHMENT D EXECUTION:**

In Witness Whereof, in consideration of the mutual covenants set forth above and for other goods and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Attachment D, and have caused their duly authorized representatives to execute this Attachment.

**FOR: MICTA SERVICE CORPORATION**

  
\_\_\_\_\_  
John M. Rathje  
President / C.E.O.  
Date: 9-24-2004

**FOR: INNOVATIVE COMMUNICATIONS, INC.**

  
\_\_\_\_\_  
Authorized Signature  
  
\_\_\_\_\_  
Authorized Agent (Print of Type)  
Title: President  
Date: 9-23-2004