

Azulstar

1051 Jackson | Grand Haven, MI | 877 Azulstar

February 7, 2007

Mark Weiss
City Manager
City of San Carlos
600 Elm Street
San Carlos, CA 94070

Dear Mr. Weiss,

Silicon Valley Metro Connect ("SVMC"), a consortium that includes IBM, Cisco, Azulstar and SeaKay, proposes to build an initial Proof of Concept ("POC") network that will cover an area of approximately 1 square mile in San Carlos.

The goal of this POC network is to:

1. Ratify and finalize network design;
2. Enable the signing of enhanced service, anchor tenant, and premium services contracts; and
3. Provide a sufficient level of understanding for the parties involved to make additional commitments required for the success of the project.

The POC network will be in place for a maximum of 120 days.

Overview

In order to commence the implementation of a Wireless Broadband Network ("WBN") across the 40-city region of Wireless Silicon Valley ("WSV"), SVMC proposes the creation of two initial POC networks. These POC systems are being offered for the convenience of the WSV program and for the opportunity afforded to SAMCAT and Joint Venture member partner entity cities to actively participate in the final design and architect process of the WSV network, and to provide for wireless scalable applications and services in the community. All will be offered as additional premium services or enhanced services agreements.

The city, county and entity levels of participation in the project will determine the hardware and software required for the final system build-out for each entity city and county. As a concept system, the POC network will enable SVMC to plan the final design and establish the level on which the various cities, counties and entities will subscribe to the offerings of the SVMC Team.





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The WSV WBN being offered is distinctly different from a Wi-Fi network for typical 802.11 a/b/g wireless systems. The WSV WBN will not be only for Internet access and limited features but it will also offer wireless broadband for a multitude of high-end applications, including, but not limited to, wireless Automated Meter Reading ("AMR"), parking monitoring, wireless control of sensors and actuators, wireless SCADA systems that will control pumps and devices, Voice Over Internet Protocol telephone service ("VoIP") and intelligent traffic control.

POC Goals As Applied

The POC network will demonstrate:

- Wireless network coverage across a variety of settings typical to the region, including urban, residential, and suburban/rural.
- Service Level Agreements ("SLAs") including network throughput, latency, in-vehicle mobility and Quality of Service ("QoS"). Throughput testing will be shown on the Intranet as well as to the Internet.
- Wireless network security, VLANs and interconnection with existing City (once approved by the City IT Manager) or corporate systems.
- Functionality of the Network Operations Center ("NOC"), including billing, authentication, child filtering, network usage statistics and monitoring.
- End-user connection, signup, login, customer-provided equipment ("CPE") and use processes. This deployment is not intended to be open for broad public use, rather it will be limited to select beta testers connecting to a hidden Network Address (SSID).
- Services will include, but not be limited to, retail (single provider) Internet/Intranet access, VoIP, transit services, and public safety access. Advanced services such as wireless meter reading will be demonstrated if possible and given sufficient anchor tenancy interest.
- Public Benefit uses of the POC network and processes for incorporating this with the final POC network.
- Provide for real-time data for impact on City-owned mounting assets. Processes and procedures for establishing collocation in regard to rights-of-way, power, etc. Additionally, processes for interconnecting to and extending municipal agency services across the POC network will also be fleshed out.
- Power consumption rates, usage and processes sufficient for collocation agreements with local power utilities.
- Aesthetics of the installed hardware for the WSV wireless systems.

The POC network will be completed once SVMC and WSV each approve the network, which approval is expected in less than 120 days. At the end of 120 days, if the POC network has not been successfully completed, the participating parties will decide if it is necessary to further extend the POC network.



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Parenthetically, the POC network will fully demonstrate the application of the SLAs with the exception of final network reliability, which will require longer periods of time to monitor (e.g. 6-12 months) and additional backups and redundancies that will be added in the final, production network.

POC Project Roles

The following roles would be fulfilled for the duration of the POC network:

City of San Carlos / Wireless Silicon Valley / WSV Task Force Agencies

- Joint and final approval of network.
- Provide for permit fast tracking.
- Flat Rate for power, to the extent legally permissible, lump sum payment to the City for use of its Rights-of-Way in order to mount assets on Light poles, Traffic signals, and government buildings, to the extent permitted by law, rule or regulation for the duration of the POC network.
- Testing, including internal LAN extended across municipal network once approved by the City IT Manager as well as 10-100 Private Users for testing in the final stages of the POC network.
- 4.9GHz FCC License for shared use with SVMC.

Azulstar – Prime contractor (Silicon Valley Metro Connect)

- Network design, deployment, operations, monitoring, maintenance, customer support, billing, CPE provisioning.

IBM (Silicon Valley Metro Connect)

- Project Management, equipment supplier, network design services, vertical services integration.

Cisco and Alvarion (Silicon Valley Metro Connect)

- Equipment supplier, design services.

SeaKey (Silicon Valley Metro Connect)

- Public Benefit uses and processes within the network.

POC Additional Notes:

- SVMC will secure permits, as required, for asset mounting and power access. The encroachment permit will be issued with conditions as reasonably required by the City.





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- SVMC will pay a lump sum fee or other consideration for the un-metered power utilization for the 120 day testing period. This fee will be calculated based on actual cost to the City.
- SVMC will pay a lump sum fee or other consideration to the City for use of the Rights-of-Way in order to mount assets on Light poles, Traffic signals, and government buildings, to the extent permitted by law, rule, or regulation for the duration of the POC network.
- Deployed network access points can be left in place, and then transferred under the Municipal Model Agreement, once testing acceptance is completed.
- Residential and Business CPE access will be limited to selected participants who live and/or work in the concept WSV Systems coverage RF area.
- The parties believe the permit fees, asset mounting fees and power access for the 120 day testing period will be under \$20,000.

If this proposal is acceptable to the City of San Carlos, kindly indicate acceptance by signing below.

Sincerely,

SILICON VALLEY METRO CONNECT

Tyler van Houwelingen
CEO
Azulstar, Inc.

On behalf of the City of San Carlos, I accept this proposal.

MARK WEISS
City Manager

2/9/07

