

Lease Agreement

THIS LEASE AGREEMENT ("Lease"), entered into this 27th day of August, 2001, hereinafter referred to as the "Agreement" or "Lease", by and between the **State Of Connecticut**, acting by its **Department of Information Technology/Contracts & Purchasing Division**, hereinafter referred to as the "Lessee", located at 101 East River Drive, East Hartford, Connecticut 06108-3274, and Fiber Technologies Networks, LLC, hereinafter referred to as the "Lessor", having its principal place of business at , 140 Allens Creek Road, Rochester, NY 14618.

Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, certain tangible personal property, as initially described in the State of Connecticut Department of Information Technology Request for Proposals # 001-A-23-7049, Lessor's proposal responding to the Request, and resulting Product Schedules attached to this agreement..

Lessee depends on the expertise of Lessor to supply tangible personal property ("Product") to meet the requirements of Lessee as they are issued from time to time and attached to this Agreement in accordance with Section 3, "LEASE OF PRODUCTS."

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties hereto agree as follows:

1. LEASE

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Products as described in the attached Product Schedule(s).

2. TERM

This Agreement shall become effective upon its approval as to form by the Office of the Attorney General of the State of Connecticut and shall continue until terminated by either party upon one hundred eighty (180) day prior written notification to the other party, except that such termination may not be effected so long as this Agreement applies to any Attachment (described in Section 3. LEASE OF PRODUCTS). If notification of termination is received from Lessor, Lessee agrees to no longer issue Letter Order(s) for any additional Products or associated services under the terms and conditions of this Agreement. Lessor agrees to fulfill all Letter Order(s) accepted prior to cancellation, if Lessee so requests.

3. LEASE OF PRODUCTS

Subject to the terms and conditions of this Agreement, Lessor shall lease to Lessee any Product and to furnish to said Lessee any associated services then available that are listed in Letter Orders and accepted by Lessor. Such Letter Orders shall contain, as a minimum, the following information:

- 1) Lessee Installation Site and Contact Person;
- 2) Desired Delivery Date;
- 3) Identity of this Agreement by Reference Number and Product Schedule;
- 4) Product Number, Description and Quantity;
- 5) Lease Term, Applicable Rate and Quantity Extensions;
- 6) Installation and Other One-Time Charge Rate(s) (If Applicable); and
- 7) Desired Maintenance and/or Support and Rate (If Applicable).

Lessor reserves the right to reject any Letter Orders. Lessor may offer to supplement the Product Schedule at any time to make additional Products, services and related terms available to the Lessee, providing the effective date of each supplement is stated thereon, and the Lessee accepts such supplement. Any supplement must be transmitted to the Lessee with a cover letter documenting formal approval of the supplement by a Lessor representative then legally empowered to so act.

Lessee may cancel Attachments at any time prior to delivery of Products or when delivered Product performance fails to meet the requirements of an issued document stating such requirements and proposed by the Lessor as meeting those requirements.

4. SHIPPING

Lessor shall be responsible for all shipping and installation of the Products at Lessee's designated sites.

5. PAYMENT AND DEPOSIT

A. The monthly payment for the Products shall be paid in accordance with the Connecticut General Statutes after the receipt of an invoice from Lessor as stated on the Product Schedule, beginning *as set forth in the Product Schedule*. Any installment payment not made within forty-five (45) days of the next due date shall be considered overdue and Lessor may levy a late payment charge in accordance with State Statutes on any overdue amount. Lease charges for any partial month shall be prorated.

B. Lessee shall not pay a deposit prior to taking possession of the Products nor at any time during the term of this lease.

6. USE

Lessee shall use the Products in a careful and proper manner and shall comply with and conform to all national, state, municipal, police and other laws, ordinances and regulations in any way relating to the possession, or use of the Products. Lessee acknowledges and agrees that the Products are provided for use exclusively by Lessee and any eligible buyer authorized by Lessee under applicable statutes and regulations to use such contracts for the provision of services by Lessee and any eligible buyer authorized by Lessee under applicable statutes and regulations to use such contracts. Neither Lessee nor any eligible buyer authorized by Lessee under applicable statutes and regulations to use such contracts will permit or provide access to or use of the Products as Dark Fiber, Lit Fiber or Lambda service or services to any unaffiliated party whether by sublease, license, sublicense, sale, resale, or any other form of transfer, disposition or agreement without the express written consent of Lessor.

7. WARRANTY

Lessor warrants that Lessor has the right to lease the Products as provided in this lease.

8. REPAIRS

Lessor, at its own cost and expense, shall keep the Products in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the Products in good mechanical working order. Such obligation and right to maintain and repair the Products shall belong exclusively to Lessor. Lessor shall provide reasonable monitoring of the performance of the Products. Upon notification of possible damage to the Products, Lessor shall dispatch technicians to site to locate

damage within 2 hours.

Lessee will not, by itself or through any agent or contractor, make any repair, replacement, alteration or modification to the Products or any other equipment or facilities provided by Lessor in relation to the Products. Lessee will not install any equipment or facilities, or use the Products in any manner, which damages the Products or damages or interferes with any other fiber-optic facilities or other equipment of Lessor or Lessor's other customers.

If all or any part of the Products require restoration, replacement or repair by reason of an act or omission of Lessee, its employees, agents or contractors, such repair, replacement and/or restoration will be made by Lessor at Lessee's sole cost and expense.

Lessor may make such changes and alterations to the Products as Lessor determines are necessary or advisable in its sole discretion provided that such changes or alterations do not (1) alter the number of fibers included in the Products, (2) alter the location of the demarcation points at which Lessee's facilities are connected to the Products, or (3) impair the use of the Products by Lessee.

9. LOSS AND DAMAGE

Lessor hereby assumes and shall bear the entire risk of loss and damage to the Products from any and every cause whatsoever except that Lessee assumes and shall bear the risk of loss and damage due to the negligence or willful misconduct of Lessee or its employees, agents, or contractors. No loss or damage to the Products or any part thereof shall impair any obligation under this Lease, which shall continue in full force and effect through the term of the Lease.

- B. In the event of loss or damage of any kind whatever to the Products, Lessor shall, at Lessee's option:
- (i) Place the same in good repair, condition and working order; or
 - (ii) Replace the same with like Products in good repair, condition and working order; or
 - (iii) Pay to Lessee the replacement cost of the Products.

10. SURRENDER

Upon the expiration or earlier termination of this Lease, Lessee shall return the Products to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering the Products at Lessor's cost and expense to such place as Lessor shall specify.

11. INSURANCE

Lessor shall procure and continuously maintain and pay for: Combined public liability and property damage insurance with limits as approved by Lessee, naming Lessee as additionally named insured and a loss payee. The insurance shall be in such form and with such company or companies as shall be reasonably acceptable to Lessee and shall provide primary coverage for the protection of Lessee and Lessor without regard to any other coverage carried by Lessee or Lessor protecting against similar risks. Such company or companies shall provide Lessee with a certificate of insurance which shall provide at least thirty (30) days advance written notice to Lessee of any cancellation, change or modification Lessor hereby appoints Lessee as Lessor's attorney in fact to secure Lessee's rights and interests as a named insured under such insurance coverages, with power and authority to do all things, including, but not limited to, making claims, receiving payments and endorsing documents, checks or drafts necessary or advisable to secure payments due under any policy of insurance required under this Agreement. Nothing herein shall be construed to obligate Lessee to act as Lessor's attorney in fact for any other purpose under this Agreement.

12. TAXES

Lessee shall keep the Products free and clear of all levies, liens and encumbrances.

Lessor shall report, pay and discharge when due all license and registration fees, assessments, sales, use and property taxes, gross receipts, taxes arising out of receipts from use or operation of the Products, and other taxes, fees and governmental charges similar or dissimilar to the foregoing, together with any penalties or interest thereon, imposed by any state, federal or local government or any agency, or department thereof, upon the Products or the purchase, use, operation or leasing of the Products or otherwise in any manner with respect thereto and whether or not the same shall be assessed against or in the name of Lessor or Lessee.

13. INDEMNITY

Lessor agrees to indemnify, hold harmless and defend the Lessee from and against any patent, copyright, license or proprietary rights infringement claim or proceeding pertaining to Lessee use of any Product, except where a Lessee modifies or adapts said Product without Lessor consent. Lessor agrees to satisfy any final award arising from any said claim or proceeding. Lessee or a Lessee agrees to give Lessor prompt written notice of any impending said claim or proceeding, and agrees to Lessor's right to conduct any defense thereof.

14. DEFAULT

If Lessee fails to pay any rent or other amount herein provided within forty-five (45) days after the same is due and payable, or if Lessee fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee, Lessor shall have the right to pursue its remedies at law or in equity as provided in the Connecticut General Statutes.

15. BANKRUPTCY

Should Lessor become insolvent or commit any act of bankruptcy or make a general assignment for the benefit of creditors or if Lessor or its successors or assignees discontinue support of the Products for any reason Lessor or its successors or assignees shall immediately transfer ownership, in fee, free of all encumbrances, to any and all Products so impacted by such action on or against the Lessor. Should Lessee elect not to terminate the agreement due to bankruptcy or in the event that Lessor ceases operations for any reason, Lessee's rights hereunder shall remain in full force and effect and any Trustee in Bankruptcy, assignee, creditor or third party of any kind or nature which shall legally succeed to the rights of Lessor hereunder shall be subject to all rights of Lessee hereunder. Upon cessation of operations for any reason, Lessee may make any repair, replacement, alteration or modification to the Products or any other equipment or facilities provided by Lessor in relation to the Products, using due care not to damage or interfere with any other fiber-optic facilities or other equipment of Lessor or Lessor's other customers. Should no such party legally succeed to the rights of Lessor hereunder within one year from the date of Breach by Lessor, and then title to the Fibers shall pass to Lessee.

16. OWNERSHIP

The Products are, and shall at all times be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

17. ADDITIONAL DOCUMENTS

If Lessor shall so request, Lessee shall execute and deliver to Lessor such documents as Lessor shall deem necessary or desirable for purposes of recording or filing to protect the interest of Lessor in the Products from claims by third Parties including, but not limited to a UCC financing statement.

18. ENTIRE AGREEMENT

This instrument (which consists of this Lease Agreement and any attachments and documents referenced in those attachments) constitutes the entire agreement between the parties on the subject matter hereof and it shall not be amended, altered or changed except by a further writing signed by the parties hereto.

19. NOTICES.

Service of all notices under this Agreement shall be sufficient if given personally or mailed certified, return receipt requested, postage prepaid, at the address hereinafter set forth, or to such address as such party may provide in writing from time to time.

If to Lessor:

Vice President, Sales and Marketing
Fibertech Networks, LLC
140 Allens Creek Road
Rochester, NY 14618
Telephone (716) 697-5100

If to Lessee:

Director, Enterprise Network Services
Department of Information Technology
101 East River Drive
East Hartford, Connecticut 06108
Telephone (860)622-2200

20. ASSIGNMENT

Lessee shall not assign this Lease or its interest in the Products without the prior written consent of Lessor.

21. GOVERNING LAW AND WAIVER OF OBJECTIONS TO JURISDICTION

This Lease shall be construed and enforced according to laws of the State of Connecticut without giving effects to its conflicts of laws provisions. Lessor agrees to submit to the jurisdiction of the State of Connecticut.

22. HEADINGS

Headings used in this Lease are provided for convenience only and shall not be used to construe meaning or intent.

23. NONDISCRIMINATION AND AFFIRMATIVE ACTION PROVISIONS

This section is inserted in this contract in connection with Subsection (a) of Section 4a-60 of the General Statutes of Connecticut, as revised.

a. For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one per cent or more of the capital stock, if any, or assets of which is owned by person or persons: (1) Who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in Subsection (a) of Conn. Gen. Stat. Section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For the purposes of this section, "commission" means the commission on human rights and opportunities.

For the purposes of this section, "public works contract" means any agreement between any individual, firm or corporation and the state or any political subdivision of the state other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the state, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees.

b. (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the state of Connecticut. The contractor further agrees to take affirmative action to insure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved; (2) the contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the commission; (3) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the contractor agrees to comply with each provision of this section and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said commission pursuant to Conn. Gen. Stat. Sections 46a-56, 46a-68e and 46a-68f; (5) the contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and Conn. Gen. Stat. Section 46a-56. If the contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

c. Determination of the contractor's good faith efforts shall include but shall not be limited to the following factors: The contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

d. The contractor shall develop and maintain adequate documentation, in a manner prescribed by the commission, of its good faith efforts.

e. The contractor shall include the provisions of Subsection b of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

f. The contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

24. NONDISCRIMINATION PROVISIONS REGARDING SEXUAL ORIENTATION

This section is inserted in this contract in connection with Subsection (a) Section 4a-60a of the General Statutes of Connecticut, as revised.

a. (1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the state of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the commission on human rights and opportunities advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said commission pursuant to section 46a-56 of the general statutes; (4) the contractor agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor which relate to the provisions of this section and section 46a-56 of the general statutes.

b. The contractor shall include the provisions of Subsection a of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The contractor shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions

for noncompliance in accordance with section 46a-56 of the general statutes; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the contractor may request the state of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

c. The contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

25. EXECUTIVE ORDER NO. THREE

This contract is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this contract may be cancelled, terminated or suspended by the state labor commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to this contract. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the state labor commissioner shall have continuing jurisdiction in respect to contract performance in regard to nondiscrimination, until the contract is completed or terminated prior to completion. The contractor agrees, as part consideration hereof, that this contract is subject to the Guidelines and Rules issued by the state labor commissioner to implement Executive Order No. Three, and that he will not discriminate in his employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the state labor commissioner.

26. EXECUTIVE ORDER NO. SIXTEEN

This Agreement is subject to Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999 and, as such, this Agreement may be canceled, terminated or suspended by the State for violation of or noncompliance with said Executive Order No. 16. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. 16 is incorporated herein

27. EXECUTIVE ORDER NO. SEVENTEEN

This contract is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this contract may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this contract. The parties to this contract, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to contract performance in regard to listing all employment openings with the Connecticut State Employment Service.

28. REPORTS TO THE AUDITORS OF PUBLIC ACCOUNTS

This contract is subject to the provisions of §4-61dd Connecticut General Statutes. In accordance with this section any person having knowledge of any matter involving corruption, violation of state or federal laws or regulations, gross waste of funds, abuse of authority or danger to the public safety occurring in any large state contract, may transmit all facts and information in his possession concerning such matter

to the Auditors of Public Accounts. In accordance with subsection (e) if an officer, employee or appointing authority of a large state contractor takes or threatens to take any personnel action against any employee of the contractor in retaliation for such employee's disclosure of information to the Auditors of Public Accounts or the Attorney General under the provisions of this section, the contractor shall be liable for a civil penalty of not more than five thousand dollars for each offense, up to a maximum of twenty per cent of the value of the contract. Each violation shall be a separate and distinct offense and in the case of a continuing violation each calendar day's continuance of the violation shall be deemed to be a separate and distinct offense. The executive head of the state or quasi- public agency may request the Attorney General to bring a civil action in the Superior Court for the Judicial District of Hartford to seek imposition and recovery of such civil penalty. In accordance with subsection (f) each large state contractor shall post a notice of the provisions of this section relating to large state contractors in a conspicuous place which is readily available for viewing by the employees of the contractor.

SIGNATURE PAGE OF AGREEMENT

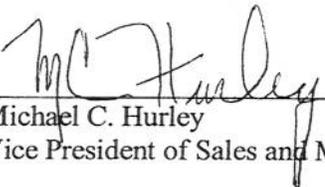
This Agreement is entered into by authority of Sections 4d-2, 4d-5 and 4d-8 of the General Statutes.

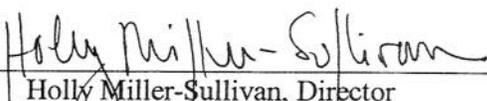
FIBER TECHNOLOGIES NETWORKS, LLC

STATE OF CONNECTICUT

By: FIBERTECH NETWORKS, LLC, its
sole member

APPROVED:

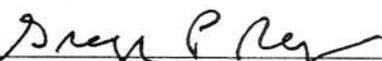
BY: 
Michael C. Hurley
Vice President of Sales and Marketing

BY: 
Holly Miller-Sullivan, Director
Contracts & Purchasing Division
Department of Information Technology

DATE: 9/4/01

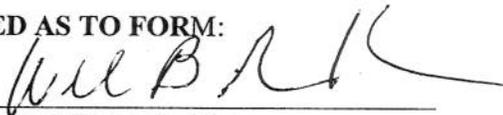
DATE: 9.5.01

SEAL

BY: 
Gregg P. Regan
Chief Information Officer
Department of Information Technology,
duly authorized

DATE: 9/5/01

APPROVED AS TO FORM:

BY: 
Assoc. Attorney General of the
State of Connecticut

DATE: 9/6/01

Reference No. B-00-014

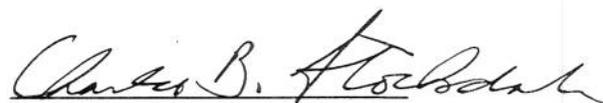
CERTIFICATE OF AUTHORITY

I, Charles B. Stockdale, the undersigned, do hereby certify that I am the Vice President & Secretary of Fibertech Networks, LLC ("Fibertech"), a Delaware limited liability company, and that Fibertech is the sole member of Fiber Technologies Networks, L.L.C. ("FTN"), a New York limited liability company. As set forth in Paragraph 5 of the Amended and Restated Operating Agreement of FTN entered into as of March 29, 2001, all management of FTN is vested in Fibertech.

Article 6 of the Second Amended and Restated Operating Agreement of Fibertech dated March 29, 2001, provides that responsibility for management of day-to-day operations shall be delegated to officers of the company. Pursuant to that Article, as Vice President of Sales & Marketing, Michael C. Hurley holds the authority associated with that position, including the power to enter into agreements pursuant to which FTN leases fiber facilities to customers. Therefore, I certify that as Vice President of Sales & Marketing, Michael C. Hurley is empowered to execute the Lease Agreement with the Connecticut Department of Information Technology and any related contracts or amendments to contracts, and that Board approval of such contracts is not required.

Dated this 4th day of September, 2001.

(Seal)


Charles B. Stockdale
Vice President & Secretary

Product Schedule

Lease Agreement # B-00-014

Fiber Technologies Networks, LLC

PRODUCT SCHEDULE #1

DARK FIBER INSTALLATION, LEASING AND MAINTENANCE (Agreement B-00-014)

This product description allows the State or authorized users of the Master Agreement to procure the installation, operation and maintenance of Singlemode Fiber Optic cable between various locations in Connecticut. The service will be provided by allocating strands on the vendor's fiber optic cable backbone to the State (on-ring) and also by constructing custom cable extensions to requested facilities (laterals).

GENERAL COSTS FOR STANDARD PROPOSED SERVICES

1. **One Time cost for "On-Ring" fiber optic strands** will begin the provisioning of complete single-mode fiber paths between two points on Fibertech's dark fiber network ("Route Miles"). For each mile of each strand of fiber optic cable ("Fiber Mile") which the State leases, Fibertech will charge the State \$3,500. (If the State chooses to lease 2 strands in a given route mile segment of Fibertech's network, the cost would be \$7,000 for that mile.)
2. **Maintenance cost for "On-Ring" fiber optic cables** will be charged annually, beginning upon acceptance of the cable and continuing for up to 20 years. The maintenance cost will be \$300 per route mile per year. (By example, if the State leases a network segment of 2 miles with 12 strands in each mile segment, the maintenance cost would be $2 * \$300 = \600 per year.)
3. **One Time Cost for new "Lateral Builds" of fiber cable** are custom extensions of Fibertech's core network for the exclusive use of authorized State users under this Master Agreement. In all cases, the State will lease *no less than 12 fiber-strands* at \$3,500 per mile per strand. There are two categories of lateral builds:
 - a. Where the lateral cable is entirely aerial and has a total distance of less than 1000 feet, Fibertech will charge the State a $\frac{1}{4}$ mile minimum of the 12 strand lateral cable lease. At \$3,500 per strand per mile, this equates to \$10,500. ($12 \text{ strand min @ } \$3500 \text{ per strand per mile} \times .25 = \$10,500$).
 - b. In all cases where the lateral distance exceeds 1,000 feet, or where the cable is not aerial, Fibertech will charge the State a minimum of $\frac{1}{2}$ mile at 12 strands, which equates to \$21,000 per build. ($12 \text{ strand min @ } \$3500 \text{ per } .5 \text{ mile} = \$21,000$).
 - c. For any lateral build, the \$300 per year maintenance cost will apply to each fiber strand, with a minimum 1 mile per lateral, (\$300 per fiber per mile per year which equates to \$3600 per year for the standard 12 fibers on any lateral less than 1 mile.)
 - d. If Fibertech sells any portion of a lateral build to another customer outside of the context of this Master Agreement, the minimum strand requirements for that portion of the fiber segment will no longer be considered "lateral" and will be considered "on-ring" from that point forward, thus reducing the maintenance fee from \$300 per fiber mile to \$300 per route mile. (Adjustments should be made every 6 months. If Fibertech sells the segment to another party prior to completion or delivery of the segment to the State, this clause will apply to the one-time cost as well.)
 - e. In compliance with building codes, the lateral cable may be extended up to 50 feet inside any building after it exits an approved conduit. In instances where the

cable can be terminated within 50 feet of the approved entry, these lateral costs shall include the cabling inside the building to the termination point.

4. COSTS FOR BUILDING ENTRY CONDUITS

- a. At locations where there are existing available and useable inner ducts from the pole-line or underground conduit structure into the requested building, Fibertech will charge \$8/foot for pulling and installing the cable from the public right of way onto the property. If a new innerduct has to be placed in available conduit, Fibertech will charge the State \$10/foot. This cost will be in addition to the standard lateral fees bringing the cable from the Fibertech backbone to the public right of way in front of the building location.
- b. At locations where Fibertech's ring or lateral cable is aerial, Fibertech will charge the State a minimum of 300 feet at \$300/foot for a new aerial lateral cable to be provided into the building from the public right of way and \$25/foot for distances over 300 feet. This cost will be in addition to the standard lateral fees bringing the cable from the Fibertech backbone to the public right of way in front of the building location.
- c. At locations where a new underground-buried conduit into a building is required or if underground-buried conduit is required to complete a "lateral build", Fibertech will construct a single 4" conduit from the public right of way to the building for \$150 per foot. A second 4" conduit may be added for future purposes for an additional \$15 per foot. This cost will be in addition to the standard lateral fees bringing the cable from the Fibertech backbone to the public right of way in front of the building location.

5. COSTS FOR INSIDE BUILDING FIBER EXTENSIONS

In instances where additional inside construction is required beyond a standard 50 foot approved demarcation point, Fibertech will construct the necessary fiber on an individual case basis for its cost plus 30%. (Cost Plus 30%)

6. LATE DELIVERY PENALTIES:

If Fibertech is more than 180 days late of the original network delivery date, as stated in the individual purchase order, Fibertech will provide the State of CT a 2% credit off those such segments which are not completed for each 30 day interval Fibertech is late on a prorated basis. The credit will appear as a discount off the final acceptance billing.

7. MAINTENANCE FEE PAYMENTS

Fibertech will invoice the State for all Maintenance Fees upon fiber acceptance of any leased fibers by the State which Maintenance Fee. During the first year, the fiber rate will be prorated based upon the number of days remaining until the end of the State's fiscal year (6-30) following acceptance. After that point, the Fibertech shall invoice the State for the full annual Maintenance Fee for such leased fibers on the (1st) day of July of each successive year thereafter.

8. Delivery and Acceptance

For each route segment, Fibertech shall deliver to the State written notice of the delivery of the leased fiber segments, including written test results for each such route segment delivered to confirm that the route segment is within the specifications. The State shall

have 15 days after notification of delivery to complete its own testing and confirm the results provided by Fibertech ("Acceptance Period")

Unless the State sends a written notice to Fibertech of its objection to acceptance within the Acceptance period, which states that the cable has failed to conform to the specifications, the State shall be deemed to have accepted the cable segment and Fibertech may invoice the State. If the State sends a notice of non-acceptance, Fibertech will restore or repair the cable and supply new test results to the State, at which time the acceptance period will be reinitiated.

9. OTHER REQUIREMENTS AND CONSIDERATIONS

The terms, conditions, and specifications of RFP **001-A-23-7049** shall also apply to all work completed under the master agreement.