

SERVICE AGREEMENT

Reference No.B-03-012

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THIS AGREEMENT, entered into in East Hartford, Connecticut, hereinafter referred to as the "Agreement" or "contract" is made by and between the **STATE OF CONNECTICUT**, acting by its Department of Information Technology/Contracts & Purchasing Division, hereinafter referred to as the "State" or "Customer," located at 101 East River Drive, East Hartford, CT 06108 and **AT&T CORP.** and its Affiliates, hereinafter referred to as the "Supplier" or "contractor" or "Provider," having its principal place of business at 55 Corporate Drive, Bridgewater, N.J. 08807.

THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

1. Payment and Installation.

Any applicable nonrecurring charges, monthly or quarterly service fees, together with applicable taxes or charges (which will be stated separately on the invoice), are due in accordance with Connecticut General Statutes, Section 4a-71 et. seq. Failure to make payment within forty-five (45) days after which services have been rendered and an invoice provided, shall not constitute a default or breach, but rather, shall entitle Provider to receive interest on the amount outstanding after said forty-five (45) days in accordance with the State of Connecticut statutes. Within thirty (30) days of this Agreement becoming effective upon its approval as to form by the Office of the Attorney General of the State of Connecticut and Provider receipt of a purchase order, Provider will provide an estimated service date for services ordered. Such estimated service date shall be within 45 days of Provider's receipt of the purchase order unless otherwise agreed to by the Parties. Provider shall install the Services by the estimated service date provided that Provider shall be excused to the extent that (i) Customer has caused or contributed to a delay, or (ii) Provider can reasonably demonstrate to Customer's satisfaction that a local exchange carrier caused a delay and that such delay was beyond the reasonable control of Provider and in the event of the foregoing, the installation date shall be extended to the extent of such delay. Provider shall coordinate with Customer in the event of any unforeseen delay, and, if appropriate, cooperate to develop a mutually agreeable alternative proposal that will satisfy the concerns of both parties. If (i) there is an unexcused delay, (ii) the Services are not installed within thirty (30) days of the estimated service date, and (iii) the parties are not able to develop a mutually agreeable alternative proposal, Customer may terminate its order. Term and billing will commence on the installation date. The installation date is the date when the Service is installed.

Payment will be made only after presentation of a properly documented invoice. All invoices shall be sent directly to the Customer. All inquiries regarding the status of unpaid invoices shall also be directed to the Customer. In cases where there is a good faith dispute concerning the Provider's claim for payment, the Customer shall contact the Provider prior to payment due date. Where there is a good faith dispute concerning Provider's claim for payment, payment in whole or in part may be withheld. If the Provider corrects the defect or impropriety within thirty (30) calendar days of being so contacted, Provider shall be entitled to payment.

All charges against the Provider, including credits, shall be deducted from current obligations that are due or may become due. In the event that collection is not made in this manner, the Contractor shall pay the State, on demand, the amount of such charges.

Customer agrees to review each invoice promptly and to notify Provider of any discrepancies within 45 days of its receipt of each invoice.

2. Term.

This Agreement shall become effective upon its approval as to form by the Attorney General of the State of Connecticut and continue for three years from that date. At the expiration of the initial three (3) year term of this Agreement or any renewal term, unless either party has theretofore notified the other

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in writing by sixty (60) days prior notice of its intention not to renew, this Agreement shall automatically renew for an additional annual term.

3. Acquiring Services

a. Subject to the terms and conditions of this Agreement, Provider shall provide to the Customer any service that Provider offers in the then current Product Schedule, approved by the Contracts & Purchasing Division. The specific features and characteristics of each Service can be found in the supporting documentation for each Service.

b. Any written modification to this Agreement shall be immediately attached to this Agreement and shall remain attached until such time as any and all Services listed in the modification have been terminated. During the period of attachment, the modification shall be known as an "Attachment" and shall hereinafter be referred to as such.

c. Provider may supplement the Product Schedule at any time to make additional Services available to the Customer, provided that the effective date of each supplement is stated thereon. No material change may be made to the available Services that alters the nature or scope of the Services or their intended use without prior written notification to the Customer. The addition of new or upgraded Services is permissible without new competitive purchasing or obtaining sole source approval. Any supplement must be transmitted to the Customer with a cover letter, documenting formal approval of the supplement by a Service representative then legally empowered to so act.

d. No material change may be made to the list of Products on the Product Schedule that alters the nature or scope of the Products or their intended use. Any change in the Products listed in the Product Schedule is conditioned upon the new products being of a similar nature and having a similar use as the defined Products. An update of the Products or the addition of Products that are related to or serve similar functions as the Products is permissible only with the prior written approval of the State.

e. Products ordered prior to the effective date of any Product Schedule pricing increase shall enjoy protection from rate increase during their initial terms.

f. Upon receipt of written notice from the Customer, the Provider will add, delete or change locations or features of specific lines and equipment. The Provider shall charge the Customer a non-recurring charge for such service at a price mutually agreed to prior to the commencement of work.g. For special construction or other service arrangements not contemplated in this Agreement or in the applicable Product Schedules, the parties will provide special construction or other service arrangement pursuant to mutually agreeable terms and conditions at the time requested.

4. Rates.

For the term of this Agreement, Provider agrees to provide the Services at rates not exceeding the rates set forth in the Service Agreement attached hereto. At the extension of this Agreement, upon Customer receipt of sixty (60) days' prior written notice, Provider may increase such rates effective July 1 of any Customer fiscal year provided such rate increase is limited to the lesser of five percent (5%) or the Consumer Price Index. Upon any such price increase, Customer may elect to terminate this Agreement, and be relieved of all obligations therefor, upon thirty (30) calendar days written notice to Provider.

The parties understand that the State is exempt from sales, use, gross receipts, excise, access, bypass and other local, state, and federal taxes. Except where the State is exempt, State agrees to pay charges or surcharges, however designated, imposed on or based upon the provision, sale or use of the Services (excluding charges or surcharges on Provider's net income). Such charges or surcharges shall be separately stated on the applicable invoice. The parties have agreed that the Contractor shall not invoice the State for any contributions to the FCC-mandated Universal Service

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Fund.

In the event there is a dispute as to whether the State is subject to the charge or surcharge, the parties agree to mutually resolve the issue.

5. Reports to the Auditors of Public Accounts

This contract is subject to the provisions of section 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 the 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.

6. Provision of Equipment Space, Conduit, Electrical Power.

Customer shall timely provide the necessary equipment space, conduit, electrical power and environmental conditions required to terminate and maintain the facilities used to provide Services on all applicable premises without charge or cost to Provider.

All services along the facilities between the point identified as the Provider's origination point and the point identified as the Provider's termination point will be furnished by the Provider, its agents or contractors.

The Provider may undertake to use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Product Schedule. The Provider does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

The Provider undertakes to use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer or authorized user may not, nor may he permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with any of the facilities or equipment installed by the Provider, except upon the written consent of the Provider.

Equipment the Provider provides or installs at the Customer's premises for use in connection with the services the Provider offers shall not be used for any purpose other than that for which the Provider provided the equipment.

The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Provider's agents or employees to the premises of the Customer or authorized user when the service difficulty or trouble report results from the use of equipment or facilities the Customer or authorized user provided.

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The Provider shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this Product Schedule, the responsibility of the Provider shall be limited to the furnishing of facilities offered under this Product Schedule and to the maintenance and operation of such facilities; subject to this, the Provider shall not be responsible for:

- (i) The transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
- (ii) (ii)The reception of signals by Customer provided equipment.

The Customer is responsible for ensuring that Customer provided equipment connected to Provider equipment and facilities is compatible with such Provider equipment and facilities. The magnitude and character of the voltages and currents impressed on Provider provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Provider provided equipment and wiring or injury to the Provider's employees or to other persons. Customer will submit to Provider a complete manufacturer's specification sheet for each item of equipment that is not provided by the Provider and which shall be attached to the Provider's facilities. The Provider shall approve the use of such item(s) of equipment unless such item is technically incompatible with Provider's facilities. Any additional protective equipment required to prevent such damage or injury shall be provided by the Provider at the Customer's expense.

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Provider used for furnishing Provider Service and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

Provider Service may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of this Agreement of the other communications carrier which are applicable to such connections.

The Provider reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Provider, when necessary because of a lack of facilities, or due to any other cause beyond the Provider's control.

The furnishing of service under this Agreement is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Provider's facilities as well as facilities the Provider may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Provider.

7. Equipment.

All right, title and interest in all the equipment provided by Provider, unless paid for by Customer, shall at all times remain exclusively with Provider.

Customer provided terminal equipment on the premises of the Customer or authorized user, the operating personnel there, and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer or authorized user. Conformance of Customer provided station equipment with part 68 of the FCC Rules is the responsibility of the Customer.

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Provider used for furnishing advanced communications service and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

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Facilities furnished under this Agreement may be connected to Customer provided terminal equipment in accordance with the provisions of this Agreement.

8. Governmental Authorizations.

Provider shall use reasonable efforts to obtain and keep in effect all necessary governmental authorizations necessary to provide the Services, and Provider shall take all such actions, at no cost to Customer, as may reasonably be required to maintain the Services in conformity with governmental requirements.

The provision of Provider Services is subject to and contingent upon the Provider obtaining and retaining such approvals, consents, governmental authorizations, licenses and permits, as may be required or be deemed necessary by the Provider. The Provider shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be required to be obtained by it. The Provider shall be entitled to take, and shall have no liability whatsoever for, any action necessary to bring the Services into conformance with any rules, regulations, orders, decisions, or directives imposed by the Federal Communications Commission or other applicable agency, and the Customer shall fully cooperate in and take such action as may be requested by the Provider to comply with any such rules, regulations, orders, decisions, or directives.

9. Default and Remedies.

In the event Customer shall fail to pay any undisputed amount under this Agreement within 45 calendar days of the due date, except for obligations relating to content and use, Provider shall submit to Customer written notice of the breach. If Customer fails to pay Provider any amount due or fails to cure provisions of this Agreement, except for obligations relating to content and use, within thirty (30) days of such notice, Provider may terminate the Services hereunder upon sixty (60) calendar days notice after expiration of cure period and pursue any and all other remedies provided for hereunder or at law or equity. If Provider violates any provisions of this Agreement, Customer shall submit to Provider written notice of the breach. If Provider fails to cure any such violation within thirty (30) calendar days of such notice, Customer may immediately terminate this Agreement upon expiration of such thirty (30) calendar day period.

10. Language Required Pursuant To CGS §4d-44

The provisions of Section 4d-44 of the Connecticut General Statutes concerning continuity of systems in the event of expiration or termination of contracts, amendments or default of the contractor are incorporated herein by reference.

Sec. 4d-44. Each contract, subcontract or amendment to a contract or subcontract shall include provisions ensuring continuity of state agency information system and telecommunication system facilities, equipment and services, in the event that work under such contract, subcontract or amendment is transferred back to the state or transferred to a different contractor, upon the expiration or termination of the contract, subcontract or amendment or upon the default of the contractor or subcontractor. Such provisions shall include, but not be limited to, (1) procedures for the orderly transfer to the state of (A) such facilities and equipment, (B) all software created or modified pursuant to the contract, subcontract or amendment, and (C) all public records, as defined in section 4d-33, which the contractor or subcontractor possesses or creates pursuant to such contract, subcontract or amendment, and (2) procedures for granting former state employees who were hired by such contractor or subcontractor the opportunity for reemployment with the state.

The parties agree to enter into an amendment to this Agreement in order to comply with the provisions of Section 4d-44.

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11. Limitation of Liability

a. EITHER PARTY'S ENTIRE LIABILITY AND THE OTHER PARTY'S EXCLUSIVE REMEDIES, FOR ANY DAMAGES CAUSED BY ANY SERVICE DEFECT OR FAILURE, OR FOR OTHER CLAIMS ARISING IN CONNECTION WITH ANY SERVICE OR PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS UNDER THIS AGREEMENT SHALL BE:

(i) FOR BODILY INJURY OR DEATH TO ANY PERSON, OR REAL OR TANGIBLE PROPERTY DAMAGE, NEGLIGENTLY CAUSED BY EITHER PARTY, OR DAMAGES ARISING FROM THE WILLFUL MISCONDUCT OF EITHER PARTY, THE OTHER PARTY'S RIGHT TO PROVEN DIRECT DAMAGES;

(ii) FOR DAMAGES OTHER THAN THOSE SET FORTH ABOVE AND NOT EXCLUDED UNDER THIS AGREEMENT, EACH PARTY'S LIABILITY SHALL BE LIMITED TO PROVEN DIRECT DAMAGES NOT TO EXCEED PER CLAIM (OR IN THE AGGREGATE DURING ANY TWELVE (12) MONTH PERIOD) AN AMOUNT EQUAL TO THE TOTAL NET PAYMENTS PAYABLE BY CUSTOMER FOR THE SERVICES DURING THE TWELVE (12) MONTHS PRECEDING THE MONTH IN WHICH THE DAMAGE OCCURRED. THIS SECTION SHALL NOT LIMIT CUSTOMER'S RESPONSIBILITY FOR THE PAYMENT OF ANY AND ALL PROPERLY DUE CHARGES UNDER THIS AGREEMENT.

b. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, RELIANCE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, ADVANTAGE, SAVINGS OR REVENUES OF ANY KIND OR INCREASED COST OF OPERATIONS, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

c. PROVIDER ALSO SHALL NOT BE LIABLE FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: INTEROPERABILITY, INTERACTION OR INTERCONNECTION PROBLEMS WITH APPLICATIONS, EQUIPMENT, SERVICES OR NETWORKS PROVIDED BY CUSTOMER OR THIRD PARTIES; SERVICE INTERRUPTIONS OR LOST OR ALTERED MESSAGES OR TRANSMISSIONS, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT; OR, UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION, LOSS OR DESTRUCTION OF CUSTOMER'S, USERS' OR THIRD PARTIES' APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS.

d. Customer shall be responsible to Provider as set forth in this Agreement for transmissions of content or use of the Services in violation of law, this Agreement. For the purposes of this Agreement only, any use or access of the Services provided pursuant to this Agreement shall be deemed to be use or access by Customer, except for use or access by any unauthorized party who, in violation of law, uses or accesses the Services without the consent or permission of Customer, either express or implied, after the Customer has taken all commercially reasonable documented safeguards to prevent such unauthorized use or access; provided that, as soon as Customer becomes aware of such unauthorized use or access, Customer immediately implements security measures to prevent such unauthorized use or access and provides notice and appropriate documentation of same to AT&T. Provider shall be solely responsible to Customer for the Services.

e. Nothing in this Agreement shall be construed as a requirement for the Customer to indemnify or hold the Provider harmless.

12. Credit for Service Interruption for all Other Services.

Any and all credits to be issued for Interruption of Services shall be set forth in the supporting documentation provided with the Product Schedule.

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13. Miscellaneous.

This Agreement may not be assigned by Customer without Provider's prior written consent. This Agreement may not be assigned by Provider without Customer's prior written consent and Provider's compliance with the requirements of the State's Comptroller's Office concerning such assignments, except that Provider may, without the Customer's consent, assign this Agreement to a present or future affiliate or successor. Any such written consent shall not be unreasonably withheld.

ANY AND ALL WARRANTIES REGARDING THE SERVICES PROVIDED PURSUANT TO THIS AGREEMENT SHALL BE LIMITED TO THOSE EXPRESSLY STATED IN THIS AGREEMENT.

Where economically feasible, the Provider shall directly or through third parties use reasonable efforts to obtain and maintain rights-of-way necessary for installation of facilities used to provide Provider Services. Except as otherwise provided herein, any and all costs associated with acquiring the rights-of-way up to the point of entry to the Customer's location shall be borne entirely by the Provider. Any and all costs associated with obtaining and maintaining of the rights-of-way from the point of entry at the Customer's location to the termination point where service is finally delivered to the Customer, including, but not limited to, the costs of installing conduit or of altering the structure to permit installation of Provider provided facilities, shall be borne entirely by the Customer. The Customer's use of such rights-of-way shall in all respects be subject to the terms, conditions and restrictions of such rights-of-way and of agreements between the Provider and such third parties relating thereto, including without limitation, the duration applicable to and the condemnation of such rights-of-way, and shall not be in violation of any applicable governmental ordinance, law, rule, regulation or restriction. Where applicable, the Customer agrees that it shall assist the Provider in the procurement and maintenance of such right-of-way.

The Provider shall have no responsibility with respect to billings, charges or disputes related to services used by the Customer which are not included in the services herein including, without limitation, any local, regional and long distance services not offered by the Provider.

14. Date Compliance.

The Provider warrants that each hardware, software, and firmware product ("product") or each developed, modified or remediated item of hardware, software, firmware ("item") or each service delivered under this contract shall be able to:

- (1) accurately assess, present or process date/time data (including, but not limited to, management, manipulation, processing, comparing, sequencing and other use of date data, including single and multi-century formulae and leap years) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations;
- (2) properly exchange date/time data when used in combination with other information technology;
- (3) perform as a system, if so stipulated in the contract, and the warranty shall apply to those items as a system.

Notwithstanding any provision to the contrary in any vendor warranty or warranties, the remedies available to the State under this Date Compliance warranty shall include repair or replacement of any listed product and/or item whose non-compliance with the Date Compliance warranty is discovered and made known to the Provider in writing. This warranty remains in effect through 365 days following the RFP Warranty Period, whichever is later.

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Nothing in this warranty shall be construed to limit any rights or remedies the State may otherwise have under this contract with respect to defects other than Date Compliance.

In addition, the Provider warrants that products or items modified or remediated to achieve Date Compliance will remain unaffected with respect to their functioning or performance except for processing and exchanging date/time data. The Provider warrants that products or items not being modified or remediated directly will remain unaffected with respect to their normal functioning or performance.

Finally, the Parties agree that this Date Compliance Warranty does not apply to any hardware, software, firmware or service provided or altered by the State.

15. Nondiscrimination And Affirmative Action Provisions.

Provider agrees to comply 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 a 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

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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.

16. Nondiscrimination Provisions Regarding Sexual Orientation.

Provider agrees to comply 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.

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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.

17. 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.

18. 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.

19. Workers' Compensation.

Supplier agrees to carry sufficient workers' compensation and liability insurance in a company, or companies, licensed to do business in Connecticut, and furnish certificates if required.

20. Approval Of Agreement.

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Customer and Supplier represent that the persons who are their respective signatories to this Agreement are fully authorized to do so. This Agreement shall become effective upon its approval as to form by the Office of the Attorney General of the State of Connecticut.

21. Applicable Law. Jurisdiction.

a. This contract shall be governed, interpreted and construed under and in accordance with the laws of the State of Connecticut without regard to its conflict of laws principles. This contract shall be deemed to have been made in East Hartford, Connecticut.

b. The Provider irrevocably consents with respect to any permitted claims or remedies at law or equity, arising out of or in connection with this Agreement, to the jurisdiction of the Connecticut Superior Court or the U.S. District Court for the District of Connecticut and with respect to venue in the Judicial District of Hartford-New Britain at Hartford or the U.S. District Court for the District of Connecticut in Hartford, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise.

22. No Resale

Customer is not permitted to resell the Services.

23. No Third Party Rights

AT&T's performance obligations under this Agreement are to Customer and not to any third party. This Agreement does not expressly or implicitly provide any third party with any remedy, claim, cause of action or other right or privilege against AT&T.

24. Definitions

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

b. "Provider", means AT&T Corp., its Affiliates, and its and their employees, directors, officers, agents, representatives, subcontractors, interconnection service providers and suppliers

c. "Provider Software" means all Provider Software other than Third-Party Software.

d. "Content" means information made available, displayed or transmitted (including, without limitation, information made available by means of an HTML "hot link", a third party posting or similar means) in connection with a Service, including all trademarks, service marks and domain names contained therein, Customer and User data, and the contents of any bulletin boards or chat forums, and, all updates, upgrades, modifications and other versions of any of the foregoing.

e. "Customer", means the State of Connecticut, its departments, agencies and political subdivisions of the State, and its and their employees, directors, officers, agents, and representatives.

f. "Damages" means collectively all injury, damage, liability, loss, penalty, interest and expense incurred.

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g. "Information" means proprietary information of either party that is disclosed to the other party in the course of performing this Agreement, provided such information (except for Customer Content) is in written or other tangible form that is clearly marked as "proprietary" or "confidential",

h. "Marks" means each party's trade names, logos, trademarks, service marks or other indicia of origin.

i. "Service" means the service and/or equipment provided under this Agreement. A detailed list of the Services available are listed in the Product Schedule.

j. "Software" means all software and associated written and electronic documentation and data furnished pursuant to the Attachments.

k. "Third-Party Software" means Software that bears a copyright notice of an unrelated third party.

l. "User" means anyone, including a State department or agency as well as individual users, who uses or accesses any Service purchased by Customer under this Agreement, including Customer Affiliates.

25. Responsibilities Of The Parties.

a. Provider agrees to provide Services to Customer, subject to the availability of the Services in accordance with the terms and conditions of this Agreement, and at the charges specified in the Attachments, consistent with all applicable laws and regulations.

b. Customer shall take reasonable steps to confirm that Customer's and Users' use of the Services and Content will comply with all applicable laws and regulations. Provider reserves the right to terminate affected Attachments, suspend affected Services, and/or remove Customer's or Users' Content from the Services, if Provider determines, in the exercise of its reasonable discretion, that such use or Content does not conform with the requirements set forth in this Agreement or interferes with Provider's ability to provide Services to Customer or others or has reason to believe that Customer's or Users' use or Content may violate any laws or regulations. Provider's actions or inaction under this Section shall not constitute review or approval of Customer's or Users' use or Content. Provider will use reasonable efforts to provide notice to Customer before taking action under this Section

26. Publicity And Marks.

a. Neither party may issue any public statements or announcements relating to this Agreement without the prior written consent of the other party.

b. Each party agrees not to display or use, in advertising or otherwise, any of the other party's Marks without the other party's prior written consent, provided that such consent may be revoked at any time.

27. Software.

a. Provider grants Customer a personal, non-transferable and non-exclusive license (without the right to sublicense) to use Software, in object code form, solely in connection with the Services and solely in accordance with applicable written and electronic documentation. Customer will refrain from taking any steps to reverse assemble, reverse compile or otherwise derive a source code version of the Software. The Software shall at all times remain the sole and exclusive property of Provider or its suppliers.

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b. Customer shall not copy or download Provider Software, except that Customer shall be permitted to make two (2) copies of Provider Software, one for archive and the other for disaster recovery purposes. Any copy must contain the same copyright notices and proprietary markings as the original Software.

c. Customer shall take reasonable steps to confirm that Customer's Users comply with the terms and conditions of this Article 27.

d. The term of the license granted hereunder shall be coterminous with the Attachment which covers the Software and/or related Services.

e. Where Provider provides Third Party Software in connection with the provision of an Provider's Service and under the associated Service Order Attachment, the Customer retains the right to review the license provided with the Third Party Software and, if the Customer is unwilling to accept the terms of the Third Party Software License, the Customer may return the Third Party Software and cancel the service with no financial penalties.

f. Provider warrants that it will take reasonable steps to assure that all Provider Software will perform in accordance with its applicable published specifications for the term of the Attachment that covers the Software. If Customer returns to Provider, within such period, any Provider Software that does not comply with this warranty, then Provider, at its option, will either repair or replace the portion of the Provider Software that does not comply or refund any amount Customer prepaid for the time periods following return of such failed or defective Provider Software to Provider. This warranty will apply only if the Provider Software is used in accordance with the terms of this Agreement and is not altered, modified or tampered with by Customer or Users. In the event that one User's copy of Provider Software is altered, modified, or tampered with by Customer or Users, this warranty will remain in effect for all other User's copies of Provider Software that have not been altered, modified or tamped with by Customer or Users.

28. Further Responsibilities.

a. Provider agrees to defend or settle any claim against Customer, and to pay all Damages that a court may award against Customer in any suit, that alleges a Service infringes any patent, trademark, copyright or trade secret, except where the claim or suit arises out of or results from: Customer's or User's Content; modifications to the Service or combinations of the Service with non-Provider services or products, by Customer or others; Provider's adherence to Customer's written requirements; or, use of the Service in violation of this Agreement.

b. Whenever Provider is responsible under Section 28.1, Provider may at its option either procure the right for Customer to continue using, or may replace or modify the alleged infringing Service so that the Service becomes noninfringing, but if those alternatives are not reasonably achievable, Provider may, consistent with the obligations under Section 4d-44, terminate the affected Service and incur liability as stated in Section 28.1.

c. Provider grants to Customer the right to permit Users to access and use the Services, provided that Customer shall remain solely responsible for such access and use.

d. The indemnified party under this Article 28: (i) must notify the other party in writing promptly upon learning of any claim or suit for which indemnification may be sought, provided that failure to do so shall have no effect except to the extent the other party is prejudiced thereby; (ii) shall have the right to participate in such defense or settlement with its own counsel and at its sole expense, but the other party shall have control of the defense or settlement; and (iii) shall reasonably cooperate with the defense.

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29. Export Control.

The parties acknowledge that equipment or products, Software, and technical information (including, but not limited to, technical assistance and training) provided under this Agreement may be subject to export laws and regulations, and any use or transfer of the products, Software, and technical information must be in compliance with all applicable regulations. The parties will not use, distribute, transfer, or transmit the products, Software, or technical information (even if incorporated into other products) except in compliance with all applicable export regulations. If requested by either party, the other party also agrees to sign written assurances and other export-related documents as may be required to comply with all applicable export regulations.

30. Force Majeure.

Neither Provider nor Customer shall be liable for any delay, failure in performance, loss or damage due to: fire, explosion, power blackout, earthquake, flood, the elements, strike, embargo, labor disputes, acts of civil or military authority, war, acts of God, acts or omissions of carriers or suppliers, acts of regulatory or governmental agencies, terrorist activities, or other causes beyond such party's reasonable control, whether or not similar to the foregoing, except that Customer's obligation to pay for charges incurred for Services received by Customer shall not be excused.

Upon condemnation of all or any material portion of the facilities used by the Provider to provide service to a Customer or in the event a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Provider, by notice to the Customer, may discontinue or suspend service under this Product Schedule without incurring any liability.

If all or any significant portion of the facilities or associated equipment used to provide the Service to Customer shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain, Provider shall be entitled to elect to terminate service upon written notice to Customer.

The use and restoration of service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's rules and Regulations and the Regulations of the CDPUC which specify the priority system for such activities.

31. General Provisions.

a. Any supplement to or modification or waiver of any provision of this Agreement must be in writing and signed by authorized representatives of both parties. A waiver by either party of any breach of this Agreement shall not operate as a waiver of any other breach of this Agreement.

b. If any portion of this Agreement is found to be invalid or unenforceable, the remaining provisions shall continue in effect and the parties shall promptly negotiate to replace such portions that cannot be implemented as agreed and that are essential parts of this Agreement. The negotiations shall be conducted in good faith and shall preserve the intention of the parties as expressed in this Agreement to the extent possible, and in a manner that preserves the equities of the bargain.

c. All required notices under this Agreement shall be in writing and either mailed by certified or registered mail, postage prepaid return receipt requested, sent by express courier or hand delivered and addressed to each party at the address set forth on the cover page of this Agreement.

d. The respective obligations of Customer and Provider, which by their nature would continue beyond the termination or expiration of any Attachment or this Agreement, including, without limitation,

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the obligations regarding Use of Information, Publicity and Marks, Further Responsibilities and Limitations of Liability, shall survive termination or expiration.

e. The authentic language of this Agreement is English. In the event of a conflict between this Agreement and any translation, the English version will take precedence.

32. Order of Precedence.

The Parties agree that all of the following documents are incorporated by reference into this Agreement. With regard to any inconsistencies that might arise, the following order of precedence shall be used:

1. This Agreement
2. ATT's Clarifications dated 6/4/03
3. ATT's Best and Final Offer 11/22/02
4. ATT's original proposal 2/14/01
5. RFP #990-A-24-7015 and amendments

Handwritten:
6/17/03

33. Annual Rebate.

The Provider shall provide a 2% annual rebate to Customer. The rebate shall be based on the total gross amount billed by Provider to all users of the State contract including those not ordering through Customer.

The annual rebate payment shall be calculated for the period July 1st through June 30th for each year the contract is in effect, including any contract extensions. The Provider shall make the annual rebate payment to Customer no later than August 15th of each year in the form of a credit to the Department of Information Technology.

The first rebate payment shall be prorated, from the start of contract through the first June 30th, with payment due by August 15th. The final rebate payment to the Department of Information Technology shall be made no later than six weeks from the date of contract termination or expiration.

The Provider shall provide a semi-annual summary report to the Department of Information Technology identifying the rebate period, billed entity, total billed, rebate due/paid, and all new users of the State contract. The State reserves the right to audit the calculation of such rebate and at its sole discretion issue an invoice for any difference in calculation that shall be paid immediately by the Provider.

34. Product Schedule Conflict

AT&T will provide to the State the Services listed in the Product Schedule pursuant to the terms set forth in this Master Agreement. To the extent there are any conflicts in the Product Schedule with the terms and conditions of the Agreement, such conflicting items shall not be considered a part of the Agreement and shall be unenforceable.

The contents in the Product Schedule originate from the AT&T Business Service Guide located at <http://www.serviceguide.att.com/ABS/ext/index.cfm>, (the "Service Guide"), which is updated from time to time by AT&T. Any updates to the Service Guide will be provided to the State for review and approval before being added to a Product Schedule. The terms in the Product Schedule serve to outline the service descriptions, standard rates and charges, and other general information relating to the Services offered under the Product Schedule.

No change, modification or waiver of any of the terms and conditions of the Master Agreement shall be binding on either party unless reduced to writing and signed by an authorized representative of

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both Parties hereto and approved as to form by the Attorney General's Office of the State of Connecticut.

35. Entirety Of Agreement.

This Agreement includes the SIGNATURE PAGE OF AGREEMENT. To the extent the requirements of the issued RFP #990-A-24-7015, the Provider's response thereto dated Feb.14, 2001, as well as the Best and Final Offer submitted on November 22, 2002 do not contradict the provisions of Sections 1 through 32 of this Agreement, said documents are incorporated herein by reference and made a part hereof as though fully set forth herein and constitute the entire Agreement of the parties which shall be governed and construed in accordance with the laws of the State of Connecticut. This Agreement, as thus constituted, contains the complete and exclusive statement of the terms and conditions agreed to by the parties hereto and shall not be altered, amended, or modified except in writing executed by an authorized representative of each party.

Handwritten:
6/17/03

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SIGNATURE PAGE OF AGREEMENT

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

AT&T Corp.

STATE OF CONNECTICUT

BY: Fleetwood B. Lilley
NAME: Fleetwood B. Lilley
TITLE: Contracts Director
DATE: 6/13/03

APPROVED:

BY: Gregg P. Regan
GREGG P. REGAN
Chief Information Officer
Department of Information Technology
duly authorized
DATE: 6/16/03

SEAL

APPROVED AS TO FORM:

WUBRI
Attorney General of the State of Connecticut
Assoc. Atty. General
DATE: 7/8/03