



STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
1263 S. Stewart Street
Carson City, Nevada 89712

BRIAN SANDOVAL
Governor

March 22, 2018

RUDY MALFABON, P.E., Director

In Reply, Refer to:

Telecommunications Company

Dear Sir/Madam,

The purpose of this letter is to acquaint telecommunications companies with a new fiber sharing program being developed in conjunction with the construction of state highways. During the 2017 Nevada Legislative session, the legislature passed Senate Bill 53 (SB53) allowing the Nevada Department of Transportation (NDOT) to pursue fiber sharing trade agreements with telecommunications companies within NDOT right-of-way (R/W). SB53 provides for two separate processes, one for non-interstate R/W and a second for interstate R/W. For interstate R/W, NDOT must adopt Nevada Administrative Code (NAC) regulations complying with Nevada Revised Statutes (NRS) to create a process for implementing this interstate program. This adoption process could take one to two years to complete. For non-interstate R/W, the process is much less arduous allowing NDOT to simply use its existing permit and agreement processes to move forward with the non-interstate program.

At this time, NDOT has created two agreements for telecom use within the non-interstate R/W. The first agreement, titled "Non-interstate Telecommunications Master License Agreement," outlines how the statewide process will function between a telecommunications company and NDOT for use of its non-interstate R/W. The second agreement, titled "Non-interstate Telecommunications Location-Specific Agreement," will be site specific outlining the details that have been agreed upon between a telecommunication company and NDOT for R/W use at a specific location within the state. These agreements will reference, and be issued along with, a required NDOT District encroachment permit. A copy of these two agreements is attached hereto for your review.

NDOT will continue to develop those regulations required for trade agreements within interstate R/W. NDOT will provide additional information concerning the interstate R/W program in the future. Should you wish to pursue a trade agreement with NDOT in a non-interstate location, please contact either Denise Inda or Seth Daniels at (775) 888-7080 or myself at (775) 888-7440.

Thanks for your time, and NDOT looks forward to working with you to further expand the State's fiber network throughout Nevada to benefit all Nevadans.

Sincerely,

A handwritten signature in blue ink, appearing to read "Reid G. Kaiser".

Reid G. Kaiser
Assistant Director, Operations



NON-INTERSTATE
TELECOMMUNICATIONS MASTER LICENSE AGREEMENT

This Master Agreement, made and entered into on _____, by and between the State of Nevada, acting by and through its Department of Transportation (hereinafter "DEPARTMENT") and **NAME AND ADDRESS** (hereinafter "COMPANY"). Individually they are each a "Party" and collectively they are the "Parties."

WITNESSETH:

WHEREAS, pursuant to the provisions contained in Chapter 408 of the Nevada Revised Statutes, the Director of the DEPARTMENT may enter into agreements necessary to carry out the provisions of the Chapter; and

WHEREAS, NRS 408.200(2)(a), authorizes DEPARTMENT to grant a telecommunications provider longitudinal access or wireless access to a right-of-way for the installation, operation, and maintenance of a telecommunications facility; and

WHEREAS, before granting such longitudinal access or wireless access to a right-of-way, DEPARTMENT must first enter into an agreement with a telecommunications provider, and the telecommunications provider must obtain a DEPARTMENT encroachment permit; and

WHEREAS, DEPARTMENT is the owner of several rights-of-way which DEPARTMENT has acquired for the development and expansion of its highway system and the preservation of transportation corridors that could be useful to COMPANY; and

WHEREAS, DEPARTMENT may offer a telecommunications provider access to its spare conduit and related facilities if they are not needed for highway purposes, in exchange for trade value pursuant to NRS 408.200(2)(a); and

WHEREAS, DEPARTMENT and COMPANY own and operate separate fiber optic systems and conduit infrastructures in Nevada; and

WHEREAS, DEPARTMENT and COMPANY have both determined that the interest and welfare of the public will best be served by the Parties cooperating to share each other's fiber optic system and conduit infrastructure where reasonably possible and agreeable; and

WHEREAS, the Parties desire to enter into this Master Agreement to define a comprehensive process in which each Party can identify existing excess capacity in the fiber optic system and conduit infrastructure of the other Party and utilize that capacity in exchange of trade value for the use of telecommunications facilities of the other Party; and

WHEREAS, the Parties intend to detail the specific terms and conditions of specific exchanges of the use of their telecommunications facilities through the entry into sub-agreements under the terms of this Master Agreement called "Non-Interstate Telecommunications Location-Specific Agreements" or "Location Agreements".

NOW, THEREFORE, DEPARTMENT and COMPANY hereby agree as follows:

1. Fiber Optic System Capacity. DEPARTMENT and COMPANY will each identify those fiber optic systems (hereafter generally referred to as "Infrastructure") owned by the other which potentially provide desirable communication connections. Where the Infrastructure has capacity, the owner shall cooperate in good faith with the requesting Party to allow the requesting Party to utilize the capacity to meet the requesting Party's communications needs. For purposes of this Agreement, Infrastructure includes, but is not limited to, dedicated fiber optic cables, or individual strands of fiber optic cables. Infrastructure may also include conduits, innerducts, handholes, junction boxes, hubs, other improvements constructed as part of each Party's fiber optic system, and any communication transport service that may be useful to either Party.

2. Identification of Infrastructure. During the term of this Agreement, the Parties shall cooperate to identify capacity within existing and future Infrastructure and make that capacity available to each other on a mutually-beneficial basis. The Parties will maintain a cataloging of the available current as well as anticipated future infrastructure availability for review by the other party. Given Company's security concerns, review of actual maps will occur on site only.

3. Balance Sheet. The Parties will maintain a document showing the current status of the exchanges of infrastructure use by the parties as well as other available infrastructure for future use by the Parties (hereinafter known as the "Balance Sheet"). See Exhibit "B" hereto. On each two year anniversary of this Master Agreement beginning two years after the date first written above, the Parties will review the then current Balance Sheet to determine whether the then current sums for each Party shown on the Balance Sheet are reasonably equal. If not reasonably equal, a Party may request a payment from the other party to make the sums for each Party reasonably equal.

4. Non-Interstate Telecommunications Location-Specific Agreement. Under the terms of this Master Agreement, the Parties will enter into separate sub-agreements to document specific exchanges of use of the other Party's telecommunications facilities known as "Non-Interstate Telecommunications Location-Specific Agreements" or "Location Agreements". See Exhibit "A" hereto. The Location Agreements will identify the specific facilities to be granted use by the other party, the terms of such use, and the estimated value of such facilities. These Location Agreements will be used to update the Balance Sheet with information on new exchanges of facility usage. Upon expiration or termination of a Location Agreement, the value of the facilities incorporated in such Location Agreement will be deducted from the Balance Sheet, unless the Parties agree to an amendment extending the expiration date of such Location Agreement. Location Agreements will continue to be effective for the entire term of each such Location Agreement even if such term extends beyond the expiration of this Master Agreement. The relevant terms of this Master Agreement will continue to be effective as to each such unexpired Location Agreement.

5. The Parties agree to periodically execute updates to the Balance Sheet as necessary to identify additional Infrastructure for which use rights are granted under Location Agreements. Each update to the Balance Sheet shall: (a) describe with reasonable specificity the Infrastructure that is subject to this Agreement and the corresponding use rights granted with respect to such Infrastructure; and (b) identify the effective date of the use rights granted. Updates to the Balance Sheet shall be created through the execution of Location Agreements by the designated representatives of each Party and may include other services or benefits provided by COMPANY to the DEPARTMENT or the STATE. Upon the execution of a Location Agreement, each Party shall append and attach the Location Agreement and the updated Balance Sheet to this Master Agreement which shall be automatically incorporated into this Master Agreement by reference. Upon execution of a Location Agreement and the updating of the Balance Sheet, such updated Balance Sheet shall replace and supersede all prior Balance Sheets. As used in this Master Agreement, the term Infrastructure refers to the fiber optic systems identified in the various

executed Location Agreements and the then most current Balance Sheet together with any replacement facilities that are constructed by each Party from time-to-time.

6. Limitation on Each Party's Commitment under Agreement. Neither Party shall be required to make its Infrastructure available to the other where such owning Party determines, in its sole discretion, that: (a) existing capacity is needed to meet the owner's projected future needs with respect to the Infrastructure; (b) the other Party's proposed use will have a material, adverse effect upon the ownership, use or maintenance of the owner's Infrastructure or business; or (c) the other Party's proposed use will violate any law, administrative rule, restriction, restrictive covenant or other legal requirement applicable to the owner, the Infrastructure or the real property underlying the Infrastructure.

7. Consideration. The purpose of this Master Agreement is to establish a cooperative and equitable process where capacity in parallel corridors is utilized to avoid duplicative Infrastructure. The Parties' mutual goal is to reduce the overall cost of operation for both Parties. The Parties desire to create a process that will encourage and expedite the shared use of Infrastructure. In this spirit, the Parties agree as follows:

7.1 It is intended that both Parties will benefit from this Master Agreement and that the respective benefits to each Party will be approximately equal over time pursuant to Section 3 above. The Parties agree to grant one another the right to use the Infrastructure with the calculated value for that access mutually agreed upon by both Parties in each respective Location Agreement.

7.2 The Parties shall strive to ensure that the benefits provided under this Master Agreement, as identified in the then current Balance Sheet, remain approximately equal over time.

8. Nature of Rights Granted. The rights granted in accordance with this Master Agreement shall be for the use of the Infrastructure capacity or services for a period of years as specified in terms of individual Location Agreements entered into by the Parties for each specific segment and/or location of Infrastructure capacity or related services. This Master Agreement does not contemplate the sale or transfer of any real or personal property associated with the Infrastructure. Subject to the limitations identified in Paragraph 6, each Party has the right to use the Infrastructure capacity or services for any purpose, consistent with the Party's respective mission(s), provided that such use does not violate the law and does not threaten the technical or operational integrity of the Infrastructure as a whole or the other Party's Infrastructure capacity.

9. Construction and Maintenance Performed Under Agreement. The Infrastructure use rights granted pursuant to this Master Agreement and the related subsequent Location Agreements will likely require the Parties to coordinate construction and maintenance issues that are unique to each portion of the Infrastructure identified in each respective Location Agreement. The Parties agree to cooperate with respect to such issues in good faith, in a manner consistent with the intent of this Master Agreement, associated Location Agreements and according to the following general principles:

9.1 Unless otherwise agreed, each Party shall be responsible for any construction, reconstruction, installation, splicing or other capital project costs that are necessary to connect to the fiber optic system of the other Party. This includes, by mutual agreement, costs associated with remediating damaged conduit, junction boxes or fiber optic cables approved for license. Costs incurred to make such repairs will be included in the Balance Sheet to maintain a fair and equitable trade. All such costs submitted for inclusion on the Balance Sheet shall be accompanied by the joint submission of proper documentation supporting such costs.

9.2 With respect to each portion of Infrastructure for which use rights are granted under each respective Location Agreement, the granting Party shall have reviewed and approved design, construction, and work plans for all construction, reconstruction, installation, connection, splicing or other work to be performed by the other Party.

9.3 DEPARTMENT and COMPANY each agree to not perform any construction, reconstruction, fiber installation, connection, splicing, or other work with respect to the fiber optic system of the other Party (including the optical fiber strands for which the other Party has granted use rights under each respective Location Agreement) without providing notice to, and receiving prior approval from, the other Party. Prior to COMPANY's access to DEPARTMENT right-of-way, COMPANY must first submit an encroachment permit application, follow standard DEPARTMENT permit review procedures, including the payment of standard permit fees, and receive the DEPARTMENT's approval of such permit.

9.4 Each Party shall be responsible for the routine costs of operating and maintaining its own Infrastructure, including, but not limited to, any conduit, cables, fiber, boxes or other facilities used by the other Party pursuant to each respective Location Agreement.

9.5 Each Party will operate and maintain its Infrastructure in a manner that avoids unreasonable disruptions to the service of the other Party. Except as otherwise provided in Section 10 of this Master Agreement, in the event of a disruption to service to any Infrastructure for which use rights have been granted to the other Party under a Location Agreement, each Party agrees to cooperate with the other Party and to use commercially reasonable efforts to reinstate the other Party's communication connection as quickly as practicable.

10. Right to Enter. Subject to then current safety, security, and acceptable use policy guidelines, each Party reserves the right to enter the buildings or other structures of the other Party (at reasonable times and with notice to the other Party) as necessary to inspect and operate any communications systems and equipment that are used pursuant to the use rights granted under this Agreement. **Certain facilities of the DEPARTMENT require that all persons accessing such facility are required to have first received a background check and DEPARTMENT approval prior to entry.**

11. Duration and Termination of Rights Granted. Unless a shorter duration is specifically provided for in a Location Agreement, the use rights granted with respect to any Infrastructure shall be effective on the date first set forth in the respective Location Agreement and shall thereafter continue for a period of twenty (20) years, unless terminated by written notice delivered by either Party at least sixty (60) days prior to the expiration of the such term. In the event a particular Location Agreement is terminated, neither Party shall be permitted to remove any Infrastructure added by such Party without the written consent of the other Party.

12. Termination of Use Rights for Default. Notwithstanding Section 11 of this Master Agreement, either Party may terminate, for default, the use rights it has granted to the other Party with respect to any specific portion of the Infrastructure granted under a Location Agreement. A Party may terminate specified use rights granted under a Location Agreement for default in the event that the other Party continues in material breach of any provisions of this Master Agreement and/or a Location Agreement for a period of thirty (30) calendar days following the delivery of written notice from the non-defaulting Party, which notice identifies the breach with specificity and demands the cure thereof (provided, however, that with respect to any breach that is not reasonably capable of cure within 30 calendar days, the breaching Party shall not be deemed in default if it commences commercially reasonable efforts to cure the breach within 30 calendar days and thereafter diligently and continually pursues such efforts to completion).

13. Termination of Use Rights for Force Majeure Events. Notwithstanding Section 11 of this Master Agreement, either Party may terminate the use rights it has granted to the other

Party under a related Location Agreement with respect to Infrastructure that is destroyed or rendered unusable by a Force Majeure Event, and provided that the terminating Party does not undertake efforts to reconstruct or repair such Infrastructure within one hundred eighty (180) calendar days following such Force Majeure Event. As used in this Section, the term "Force Majeure Event" means any event, whether foreseeable or unforeseeable, that prevents, nullifies or interferes with the enjoyment of the use rights granted pursuant to this Master Agreement and an associated Location Agreement provided that such event is beyond the reasonable control of the granting Party and not attributable to fault or malfeasance on the part of the granting Party. Force Majeure Events include, without limitation, the following: floods, earthquakes, fires, landslides, tornadoes, explosions, civil disturbances, acts of God or the public enemy, terrorist acts, military actions, actions of a court or public authority or labor disturbances/work stoppages.

14. Limitation on Warranties. Each Party agrees that, subsequent to the grant of use rights pursuant to this Master Agreement together with the associated Location Agreement, such Party will not grant any additional rights to third Parties, or take other affirmative actions, which materially impair the exercise of the use rights granted to the other Party under the terms of this Master Agreement and the associated Location Agreement. Except as specifically provided for in the preceding sentence, all use rights contemplated under this Master Agreement and any associated Location Agreement are granted with respect to the Infrastructure on "AS-IS" "WHERE-IS" basis, subject to all existing conditions, restrictions, and encumbrances, and without any express or implied warranties whatsoever.

15. Term of Agreement. This Master Agreement shall be effective upon the date first written above and shall thereafter continue for twenty (20) years with four (4) five-year automatic renewals, unless earlier terminated as provided herein. Either Party may terminate this Master Agreement with cause at any time by providing not less than thirty (30) calendar days' written notice to the other Party. The termination of this Master Agreement shall not affect any rights granted hereunder prior to such termination (which shall continue as set forth in Sections 11, 12, and 13 of this Master Agreement). Active Location Agreements shall not be affected by the termination of this Master Agreement. This Section 15 shall survive termination of this Master Agreement.

16. Mediation. In the event of any action, controversy or claim between the Parties arising out of or relating to this Master Agreement and/or a Location Agreement, or the breach thereof, the Parties shall first engage in non-binding mediation to attempt to resolve the controversy, claim, or breach or they may select a mutually acceptable mediator to do so. Parties shall bear their respective costs incurred in such mediation.

17. Costs of Enforcement. If either Party files an action to enforce or interpret any covenant or condition of this Master Agreement and/or a Location Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and all costs associated with such enforcement or interpretation.

18. Indemnification. To the fullest extent of NRS Chapter 41 liability limitations, each Party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other from and against all third party liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the Party, its officers, employees and agents, brought by a third party. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity, which would otherwise exist as to any Party or person, described herein. This indemnification obligation is conditioned upon service of written notice to the other Party within thirty (30) calendar days of the indemnified Party's notice of an actual or pending claim or cause of action. The indemnifying Party shall not be liable for reimbursement of any attorney's fees and costs incurred by the indemnified Party due to said Party exercising its

right to participate with legal counsel. The Parties acknowledge that DEPARTMENT does not waive and intends to assert available NRS Chapter 41 liability limitations in all cases.

19. Agreement Liability. Agreement liability of both Parties shall not be subject to special, incidental, consequential, punitive, or indirect damages for personal injury, property loss, loss of business profits, business interruption, loss of business information, or any other pecuniary loss whatsoever.

7. Notices. Each notice, consent request, or other communication required or permitted under this Master Agreement and any associated Location Agreements shall be in writing, delivered personally or sent by certified mail (postage prepaid, return receipt requested), or by a recognized international courier, and addressed to the Party as provided by below:

If to DEPARTMENT:
STATE OF NEVADA
DEPARTMENT OF TRANSPORTATION
(in Northern Nevada)
Ron Dietrich, Assistant Chief R/W Agent
1263 South Stewart Street, Room #320
Carson City, NV 89712

If to COMPANY:

Each notice, consent, request, or other communication is deemed to have been received by the Party to whom it was addressed (A) when delivered, if delivered personally; (B) on the third business day after the date of mailing if mailed by certified mail; or (C) on the date officially recorded as delivered according to the record of delivery if delivered by courier. Each Party may change its contact information for purposes of this Master Agreement by giving written notice to the other Party in the manner set forth above.

20. Governing Law and Forum. This Master Agreement, and associated Location Agreements, and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The Parties consent to the exclusive jurisdiction of the Nevada state district courts for enforcement of this Agreement.

21. Severability. The illegality or invalidity of any provision or portion of this Master Agreement shall not affect the validity of the remainder of this Master Agreement and this Master Agreement shall be construed as if such provision did not exist. The unenforceability of such provision shall not be held to render any other provision or provisions of this Master Agreement unenforceable.

22. Entire Agreement; Amendment. This Master Agreement and any associated Location Agreements constitute the entire agreement of the Parties and such is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Conflicts in language between any Location Agreement and this Master Agreement shall be construed consistent with the terms of this Master Agreement. Unless an integrated attachment to this Master Agreement and any Location Agreements specifically display a mutual intent to amend a particular part of this Master Agreement or any associated Location Agreement, general conflicts in language between any such attachment and this Master Agreement or any Location Agreements shall be construed consistent with the terms of this Master Agreement. Unless

otherwise expressly authorized by the terms of this Master Agreement, no modification or amendment to this Master Agreement shall be binding upon the Parties unless the same is in writing and signed by the respective Parties hereto and the Attorney General.

23. Assignment. Neither Party may assign or delegate its rights or obligations of this Master Agreement or any associated Location Agreements without the written consent of the other Party, provided that consent shall not be unreasonably withheld for assignment to other Governmental entities.

24. Binding Effect. This Master Agreement and any associated Location Agreements shall bind the Parties, their successors and assigns.

25. Captions. The captions to the various sections of this Master Agreement are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, content, or intent of this Master Agreement or any parts of this Master Agreement.

26. Time. Time is of the essence of each term, provision, and covenant of this Master Agreement.

27. Multiple Counterparts. This Master Agreement may be executed in any number of counterparts and by either of the Parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of this Master Agreement may be detached from any counterpart and reattached to any other counterpart hereof. The facsimile transmission of a signed original of this Master Agreement or any counterpart hereof and the retransmission of any signed facsimile transmission hereof shall be the same as the delivery of an original.

IN WITNESS WHEREOF, the authorized representatives of COMPANY and DEPARTMENT have caused their names to be signed hereon on the date first above written.

COMPANY:

State of Nevada, acting by and through its DEPARTMENT OF TRANSPORTATION:

Director

Name and Title (Print)

Approved as to Legality and Form:

Deputy Attorney General

EXHIBIT "A"

NON-INTERSTATE TELECOMMUNICATIONS LOCATION-SPECIFIC AGREEMENT FORM

Agreement Number XXX-XX-XXX

**NON-INTERSTATE
TELECOMMUNICATIONS LOCATION-SPECIFIC AGREEMENT**

This Location Agreement, made and entered into on _____, by and between the State of Nevada, acting by and through its Department of Transportation (hereinafter "DEPARTMENT") and [company name and address] (hereinafter "COMPANY"). Individually they are each a "Party" and collectively they are the "Parties."

WITNESSETH:

WHEREAS, pursuant to the provisions contained in Chapter 408 of the Nevada Revised Statutes, the Director of the DEPARTMENT may enter into agreements necessary to carry out the provisions of the Chapter; and

WHEREAS, NRS 408.200(2)(a), authorizes DEPARTMENT to grant a telecommunications provider longitudinal access or wireless access to a right-of-way for the installation, operation, and maintenance of a telecommunications facility; and

WHEREAS, NRS 408.423 requires COMPANY to obtain an encroachment permit from DEPARTMENT for the facilities identified herein; and

WHEREAS, the Parties entered into a Non-Interstate Telecommunications Master License Agreement ("Master Agreement") dated _____; and

WHEREAS, the Parties have identified Infrastructure capacity that is not needed by one Party and needed by the other party.

NOW, THEREFORE, the Parties agree as follows:

1. Prior to the execution of this Location Agreement, the parties identified certain DEPARTMENT-owned Infrastructure which COMPANY desires to use (Attachment "A") and certain COMPANY-owned Infrastructure which DEPARTMENT desires to use (Attachment "B"). The identified Infrastructure is shown on Attachments "A" and "B" are attached hereto and incorporated herein.
2. The Parties agree to exchange the use of the Infrastructure shown on Attachments "A" and "B" and update the Balance Sheet with the details of this current exchange.
3. DEPARTMENT agrees to permit COMPANY to use its subject infrastructure as shown on Attachment "A" for a period of twenty (20) years commencing on the date first written above unless terminated under the provisions of the Master Agreement.
4. COMPANY agrees to permit DEPARTMENT to use its subject infrastructure as shown on Attachment "A" for a period of twenty (20) years commencing on the date first written above unless terminated under the provisions of the Master Agreement.
5. In the event a Party finds a need to terminate this Location Agreement, the trade value shall be prorated and deducted from the terminating Party's then current balance on the Balance Sheet as compensation for such termination.
6. COMPANY agrees to obtain from DEPARTMENT an encroachment permit before undertaking any activities within DEPARTMENT's right-of-way.

OTHER PROVISIONS

1. All of the other provisions of Master Agreement No. XXX-XX-XXX, dated DATE, shall remain in full force and effect as if fully set forth herein.

IN WITNESS WHEREOF, the SERVICE PROVIDER has signed and the DEPARTMENT has caused its name to be signed herein on the date first written above.

COMPANY:
NAME

State of Nevada, acting by and through its
DEPARTMENT OF TRANSPORTATION

DIVISION HEAD

Name and Title (Print)

Approved as to Legality and Form:

Deputy Attorney General

DRAFT

EXHIBIT "B"

Balance Sheet Form

DESCRIPTION OF USE RIGHTS GRANTED UNDER 2018 AGREEMENT REGARDING SHARED FIBER FACILITIES

Transaction #1 Descriptions (coincident with execution of each respective Location Agreement):

COMPANY SHALL PROVIDE TO DEPARTMENT:

- 1) Summary of trades that COMPANY provides to DEPARTMENT

DEPARTMENT SHALL PROVIDE TO COMPANY:

- 1) Summary of trades that DEPARTMENT provides to COMPANY

The Agreement Balance Sheet is based on a foot-for-foot conduit and fiber trade according to Section 7 of this Agreement. Any differences between quantities are tracked by the Balance Sheet for each Party detailed below, and are based on current Department contract pricing. Any outstanding amounts owed according to the Balance Sheet will be updated during future transactions for the purposes of future trades, land access right-of-way fees or other mutually agreed upon items. Banked values can be converted back to full foot-for-foot or other trade values for subsequent transactions, but are shown in dollar value for outstanding banked balances. The Parties shall not provide cash or other direct compensation for amounts shown in the Balance Sheet.

<INSERT BALANCE SHEET>

Agreement Transaction #1 – Balance Sheet

The following details illustrate the combined DEPARTMENT and COMPANY infrastructure identified in this Agreement Transaction #1:

<INSERT ILLUSTRATION AS NEEDED>