

## FRONTIER SERVICES AGREEMENT

This Agreement is made this 12<sup>TH</sup> day of September, 2012, by and between **Frontier Communications Northwest Inc.**, with an address at 4916 W. Clearwater Ave., Kennewick, Washington 99336 (referred to herein as "Frontier"), and \_\_\_\_\_, whose address is \_\_\_\_\_, a, Washington 99362 (referred to herein as "Customer").

### 1. Services

Frontier will provide the services on the attached Schedules that Customer has initialed, which Schedules are incorporated herein by reference and made a part hereof (the "Services"). The Services are described further in the attached Schedules and this Agreement becomes effective for such Services upon Customer initialing each applicable Schedule where indicated. For Services covered by tariff, Customer recognizes that in the event of any inconsistencies between this Agreement and the tariffs, except with respect to pricing, termination charges or cancellation charges for which this Agreement shall control in all circumstances (subject to Section 15 hereof), the tariffs shall control for regulated Services (other than for pricing), and this Agreement shall control for unregulated Services. In the event of any conflict between this Agreement and any Schedule, the Schedule shall control. Customer further recognizes that if Customer selects long distance services, such services will be provided ~~directly~~ by Frontier Communications of America, Inc. ("LD Carrier") and Frontier is acting solely as LD Carrier's agent with respect to such services. If long distance services are being contracted for by Customer hereunder, Customer shall execute a Letter of Authorization in the form of Schedule LD, attached hereto. Services, special facilities and equipment may also be provided by other local or long distance carriers that are affiliates or subcontractors of Frontier and such Services will be subject to the terms and conditions of this Agreement.

Frontier will maintain, repair and service the facilities and equipment used to provide the Services or leased to Customer as part of this Agreement, up to and including the point at which the facilities and equipment are made available for interconnection to Customer's premises equipment or inside wiring. Only authorized agents and representatives of Frontier may perform such work. Any repair, alteration or servicing of Frontier's facilities or equipment by Customer or third parties without the express written consent of Frontier is cause for termination of this Agreement at Frontier's option. For any portion of Frontier's circuits that are provided by third parties, Frontier's maintenance responsibility is limited to the prompt identification and notification of appropriate parties. Frontier will make every reasonable effort as Customer's agent to obtain prompt action from such a third party.

### 2. Minimum Usage Guarantee

If Customer has selected Service(s) for which there is a Minimum Usage Guarantee, then unless otherwise described in this Agreement or the applicable Schedule, Customer shall be liable to Frontier for meeting such Minimum Usage Guarantee during the initial term stated in the applicable Schedule or tariff. Unless otherwise stated in the Schedule, any Minimum Usage Guarantee period begins on the date of installation of the applicable Service. Taxes or tax-related surcharges, governmentally imposed or permitted surcharges, nonrecurring charges (including but not limited to installation charges), operator assistance charges, and any charges of third parties that are passed through to Customer are not included in determining whether Customer has met any Minimum Usage Guarantee. Customer agrees that the prices in the Schedules are based in part upon any term and volume commitments that Customer is making to Frontier. If Customer's purchases are less than any Minimum Usage Guarantee committed to in any Schedule, Frontier may, in addition to any other rights and remedies it may have, recover the shortfall from Customer, and may

elect at its option either to continue to recover the shortfall prospectively or increase the price prospectively to reflect Frontier's then-current prices for comparable terms and volumes.

### 3. Cancellation Charges

Whether or not Customer enters into a minimum term commitment, if Customer terminates or cancels an order for a Service prior to the completion of installation of the Service, Customer shall pay a cancellation charge equal to one month of recurring charges for the Service plus the total costs and expenses of Frontier in connection with establishing the Service prior to Frontier's receipt of notice of termination or cancellation, including, but not limited to, Frontier's applicable installation charges for the Service.

If Customer has selected Services for which there is a minimum term commitment or the applicable Schedule includes a minimum term commitment, and if Customer terminates or cancels a Service after completion of installation but prior to completion of the minimum term commitment or Frontier terminates the Service or this Agreement pursuant to Section 9.a. hereof, unless otherwise stated in the Schedule, Customer shall immediately pay Frontier a cancellation charge equal to the monthly recurring charges for the terminated or canceled Service, plus the following associated surcharges for such Service: subscriber line charges, primary interexchange carrier charges, and universal service fund charges, multiplied by the number of months remaining in the applicable minimum term commitment. Unless otherwise stated in the Schedule, partial months shall be prorated so that Customer's total payment of recurring charges (plus applicable surcharges) before and after termination or cancellation equals the monthly recurring charges (plus applicable surcharges) for the Service multiplied by the total number of months in the minimum term commitment. Unless otherwise stated in the Schedule, any minimum term commitment begins on the effective billing date for the applicable Service.

It is agreed that Frontier's damages in the event of early termination will be difficult or impossible to ascertain. These provisions are intended, therefore, to establish liquidated damages in the event of termination and are not intended as a penalty.

The minimum term provisions or Minimum Usage Guarantees for any Service selected by Customer hereunder shall have no effect on any other minimum term commitments or Minimum Usage Guarantees that Customer may have with Frontier, whether under this Agreement, or otherwise.

### 4. Payment

Customer shall pay all charges set forth in the attached Schedules and in applicable tariffs. Customer shall be responsible for all charges for Services commencing upon the earlier of (i) Customer's use of the applicable Service(s) or (ii) five (5) days following Frontier's installation of such Service(s). Unless otherwise specified in an applicable Schedule or tariff, or otherwise required by statute or rule, all payments shall be due within thirty (30) days of the invoice date and late payments shall be subject to a late payment fee of the lesser of one and one-half percent (1.5%) per month or the maximum allowed by law. The late payment fee referred to above will be in addition to and not in lieu of any other remedies Frontier may have hereunder or under the law as a result of Customer's failure to pay. If Frontier does not receive notice of a



payment dispute by Customer within ninety (90) calendar days after Customer's receipt of an invoice, such invoice will be final and not subject to further challenge. Upon timely receipt of a notice of dispute, Frontier will promptly investigate all disputed charges and report its findings and disposition of the dispute to Customer within sixty (60) calendar days. For the purpose of computing partial month charges, a month will consist of thirty (30) calendar days.

In addition to the charges set forth in the applicable tariffs and Schedules, Customer shall pay any and all federal, state or local sales, use, privilege, gross receipts or excise taxes (exclusive of taxes based on the net income of Frontier or its affiliates), or any charges in lieu thereof, and any applicable surcharges, including but not limited to Primary Interexchange Carrier Charge ("PICC"), Federal Pre-Subscribed Line Charge ("FEPS"), Carrier Cost Recovery Surcharge, E-911, Universal Service and Local Number Portability surcharges related to the Services, in the amounts applicable at the time of billing.

#### 5. Term

This Agreement is effective as of the date written above, and shall continue in full force and effect as long as any of the Services continue to be provided pursuant to any Schedule hereto, unless terminated in accordance with the provisions hereof. If neither party provides the other with written notice of its intent to terminate this Agreement, or any Service provided pursuant to any Schedule, at least sixty (60) days prior to expiration of any minimum term commitment for any or all Services, or any renewal thereof as provided below, then this Agreement shall be deemed automatically renewed at the same rates as the prior contract for an additional one year term, excluding promotional rates. Notwithstanding the above, if tariff pricing was applicable during the initial term of this Agreement, pricing for Services continuing during any renewal term shall be at the then applicable tariff rate.

#### 6. Limitation of Liability and Warranty Provisions

The liability of Frontier and its affiliates for the Services provided under this Agreement shall in no event exceed the limitations of liability set forth in the applicable tariffs or regulatory rule or order, or, if there is no applicable tariff provision, rule or order, the total amount paid for the applicable Service pursuant to this Agreement and the attached Schedules. In cases of Service outages or interruptions, liability shall be limited to 1/20 of the monthly charge for each hour the Service is interrupted.

Notwithstanding the above, Frontier will not be liable to Customer for interruptions in Services caused by failure of hardware or software, failure of communications services, power outages, or other interruptions not within the complete control of Frontier. In addition, there will be no credits, reductions or set-offs against charges for Services, or for downtime of Services, except as expressly set forth herein.

**IN NO EVENT WILL FRONTIER OR ITS AFFILIATES BE LIABLE FOR ANY LOST PROFITS OR BUSINESS OPPORTUNITIES, OR FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY THEREOF. FRONTIER AND ITS AFFILIATES SHALL NOT BE LIABLE FOR ANY LOSS, COST, CLAIM OR EXPENSE EXPERIENCED OR INCURRED BY CUSTOMER RESULTING FROM THE USE OF THE SERVICES OR EQUIPMENT PROVIDED THEREUNDER, INCLUDING, BUT NOT LIMITED TO, TOLL FRAUD.**

**EXCEPT AS OTHERWISE PROVIDED HEREIN OR IN THE APPLICABLE SCHEDULES, FRONTIER DISCLAIMS ALL WARRANTIES WITH RESPECT TO ITS FACILITIES, TRANSMISSION, EQUIPMENT, DATA OR SERVICES PROVIDED HEREUNDER, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FUNCTION.**

No action, regardless of form, arising out of this Agreement or the Schedules may be brought more than two (2) years after the cause

of action has arisen. The parties hereby waive the right to invoke any different limitation on the bringing of actions provided under state law.

#### 7. Indemnification

Customer shall be liable for and shall indemnify, defend and hold Frontier and its affiliates harmless from and against any and all claims, loss, damage, cost or expense (including reasonable attorneys' fees) arising out of Customer's negligent, willful or unauthorized acts, failures to act or misrepresentations, and, in the case of facilities or equipment, failure to maintain an adequate and safe environment or permitting unauthorized repairs.

#### 8. Confidentiality

Both parties agree that all terms and conditions set forth in this Agreement shall be considered confidential, and that details of the terms of this Agreement, or the Services provided under this Agreement, shall not be disclosed to third parties, other than affiliates, employees, agents or contractors who have a need to know such information in the scope of their employment or engagement, without the prior written consent of the other party, unless required by law.

Customer and Frontier may disclose to each other information that is confidential in nature. In order to receive confidential treatment, all such information (hereafter "Information") shall be either (i) clearly marked as confidential if written, or clearly identified as confidential if oral or (ii) reasonably understood by the recipient, based on the nature of the information or the circumstances of disclosure, to be in need of confidential treatment or proprietary to the discloser. Customer and Frontier agree not to disclose any information to any third party, to keep information in a secure place available only to employees, affiliates or agents who are subject to obligations of confidentiality no less restrictive than those set forth herein, who need to know the information for purposes of the business dealing between Customer and Frontier, and to use information only in connection with such business dealings.

Information will lose its confidential status if obtained legitimately from a third party without restriction or upon the expiration of six (6) years from delivery of each item of information. Information shall remain the property of the disclosing party and shall be returned to such party on request or upon termination of the business dealing between Customer and Frontier. This Agreement is enforceable by injunction.

Notwithstanding anything herein to the contrary, Frontier shall have the right to include Customer's name in a public list of current customers who use Frontier's services, provided Frontier does not make any representation with respect to Customer and does not attribute any endorsements to Customer, without Customer's prior written consent. In addition, Frontier may issue a press release announcing Customer as a new customer of Frontier or an existing customer obtaining expanded or additional services from Frontier, as the case may be.

#### 9. Default

a. **Breach by Customer:** If Customer fails to make any payment when due, or fails to comply with any other term or condition of this Agreement or any Schedule, and such failure continues for five (5) days in the event of failure to make payments, or thirty (30) days in the event of any other default, after notice of such failure, Frontier shall have the right either to suspend the Service until the default is remedied or to terminate this Agreement or any Schedule. In the case of failure to make payment for equipment purchased or leased hereunder, Frontier shall have the right, without notice, demand or legal process, to demand payment of all amounts remaining to be paid under the applicable Schedule and to take possession and dispose of the property in a commercially reasonable manner. Retaking or resale of such equipment shall not



release Customer from its obligation to pay all amounts due under this Agreement and the Schedules.

- b. **Breach by Frontier:** If Frontier has not remedied any breach within thirty (30) days after Frontier's receipt of notice from Customer of such breach, Customer may terminate the circuit or Service which is the subject of such breach. Except for charges incurred prior to the termination and except for charges incurred with continued use despite termination, Customer shall have no further obligation to Frontier for payment of charges for the terminated circuit or Service after such termination. Except as otherwise expressly provided herein or in an applicable Schedule, this subsection states Customer's exclusive remedy for a breach by Frontier.
- c. Frontier, after giving notice to Customer and after having given Customer an opportunity, appropriate to the circumstances involved, to respond to such notice, may, under the following conditions, forthwith terminate any Service, and sever the connection to Frontier's network and remove its equipment from Customer's premises:
- 1) In the event of prohibited, unlawful or improper use of the facilities or Service or abuse of the facilities, or
  - 2) If, in the sole judgment of Frontier, any use of the facilities or Service by Customer would have a material negative impact on the business of Frontier or the efficiency of Frontier's personnel, plant, property or Service.

Frontier, however, shall have the right to take immediate action, including termination of the Service and severing of the connection to its network without notice to Customer when injury or damage to Frontier personnel, plant, property or Service is occurring, or is likely to occur.

#### 10. Force Majeure

In no event will Frontier or its affiliates be liable for any delay in performance directly or indirectly caused by events beyond their control, including, but not limited to: acts of Customer, its agents, employees or contractors; acts of God; acts of the public enemy; acts of the United States, a state or other political subdivision; fire, floods or other natural disasters; accidents; wars; labor disputes or shortages; and inability to obtain material, power, equipment or transportation.

#### 11. Assignment

This Agreement may not be assigned by either party without the other party's prior written consent, which consent shall not be unreasonably withheld or delayed, except that Frontier may assign this Agreement to any successor to the business of Frontier by merger, consolidation or sale of assets or to any corporation controlling, controlled by or under common control with Frontier. Frontier may subcontract portions of the work to be performed hereunder, but shall remain fully liable to Customer for the workmanlike performance thereof.

#### 12. Work Site Conditions

This Agreement assumes that any Services provided hereunder do not involve Frontier's contact with or removal of asbestos or other toxic or hazardous materials. If asbestos, or material containing asbestos, or any other hazardous or toxic materials are discovered during work pursuant to this Agreement, Frontier will suspend its work for a reasonable period of time to permit Customer to engage a qualified firm to remove and dispose of the asbestos or other toxic or hazardous materials from the site and receive an equitable adjustment to the sums due or to be due to Frontier under this Agreement as a result of any increase in costs Frontier experiences as a result of such suspension.

Customer acknowledges that Frontier shall not be responsible for any claims, demands or damages arising out of the removal of asbestos or any other hazardous or toxic material from the work site

and agrees to release, indemnify, defend and hold harmless Frontier from and against any damages, losses, claims, demands or lawsuits arising out of or relating to the presence, removal or disposal of asbestos or any other hazardous or toxic material from the work site.

#### 13. Title and Risk of Loss

In the case of equipment provided hereunder, risk of loss or damage shall pass to Customer at time of delivery to Customer. Title to any sold equipment passes to Customer upon payment in full for the equipment or upon completion of installation and Customer's acceptance, whichever occurs first. Unless an acceptance test is deemed necessary by the parties, acceptance by Customer is deemed to occur at the time of cutover as evidenced by the interconnection of the equipment to the public network and its ability to place and receive external and internal telephone calls or data traffic. Until the purchase price and all other amounts added thereto have been paid in full, Frontier shall retain a security interest in the equipment to secure payment of the purchase price. The parties hereby agree that this Agreement shall constitute a security agreement and financing statement as those terms are defined in the Uniform Commercial Code. Customer will promptly execute any additional documents or instruments requested by Frontier to protect Frontier's interests.

Unless expressly sold to Customer, any equipment installed at Customer's premises in connection with the Services remains the property of Frontier and upon termination of this Agreement or any applicable Service, such equipment shall be returned to Frontier in the same condition as installed, normal wear and tear excepted. In the event of Customer's failure to comply with the preceding sentence, Customer will be billed for and pay to Frontier an amount equal to the retail value of such equipment.

Frontier will be provided reasonable access to Customer's premises during normal business hours for the purpose of installing, inspecting, testing, rearranging, repairing or removing any Service and/or related equipment.

Customer will reimburse Frontier for any loss of, or damage to, any Frontier facilities or equipment in or on Customer's premises or property resulting from theft, willful injury, or any other cause whatsoever, other than by fire or unavoidable accident, and other than any loss or damage resulting from the negligence or willful misconduct of Frontier or its agents. The term "unavoidable accident" does not include theft.

#### 14. Competition

Customer recognizes the availability of competitive alternatives for receiving the Service(s) provided under this Agreement either now or in the future, and has freely elected to enter into this Agreement in order to receive the benefits it offers.

#### 15. Government Regulation

Notwithstanding anything in Section 1 regarding the precedence of contract or tariff, to the extent that any Service(s) provided hereunder are subject to the jurisdiction of the Federal Communications Commission ("FCC") and/or any state utility regulatory agency, this Agreement shall at all times be subject to changes, modifications, orders and rulings by the FCC and/or that regulatory agency. Frontier reserves the right to suspend, modify or terminate any Service without liability where any statute, regulation and/or ruling, including modifications thereto, by any regulatory agency (including the FCC), legislative body or court of competent jurisdiction, (i) prohibits, restricts or otherwise prevents Frontier from furnishing such Service, or (ii) has a material negative impact on Frontier's performance hereunder or the benefits provided by this Agreement. If provision of any Service pursuant to this Agreement is subject to advance approval of the FCC and/or any state utility regulatory agency, this Agreement shall not become effective with respect to such Service until fifteen (15) days after receipt by Frontier of written notice of such approval.



16. Governing Law

This Agreement shall be governed by and construed according to the laws of the State in which Services are being provided hereunder without regard to its conflicts of laws provisions. Any related litigation may be brought in any State or Federal courts of competent jurisdiction within such State. Customer and Frontier consent to personal jurisdiction in such courts.

17. Merger and Modification

This Agreement and the Schedules hereto contain the entire agreement between the parties relating to the subject matter hereof, and may not be modified, amended or supplemented except by written agreement signed by an authorized representative of each party.

18. No Waiver

If either party fails, at any time, to enforce any right or remedy available to it under this Agreement, that failure shall not be construed to be a waiver of the right or remedy with respect to any other breach or failure by the other party.

19. Severability

A declaration by any court, or other binding legal source, that any provision of this Agreement or any Schedule is illegal and void, will not affect the legality and enforceability of any other provisions of this Agreement, unless the provisions are mutually dependent.

20. Internet Acceptable Use Policy and Security

If Customer subscribes to any Frontier Internet service, Customer shall comply with Frontier's Acceptable Use Policy ("AUP"), which Frontier may modify at any time. The current AUP is available for review at the following address, subject to change:

[http://www.frontier.com/policies/commercial\\_aup/](http://www.frontier.com/policies/commercial_aup/)

Customer is responsible for maintaining awareness of the current AUP and adhering to the AUP as it may be amended from time to time. Failure to comply with the AUP is grounds for immediate suspension or termination of Frontier Internet Service, notwithstanding any notice requirements of Section 9(a) above.

Customer is responsible for the security of its own networks, equipment, hardware, software and software applications. Abuse that occurs as a result of Customer's systems or account being compromised or as a result of activities of third parties permitted by Customer may result in suspension of Customer's accounts or Internet access by Frontier. Customer will defend and indemnify

Frontier and its affiliates with respect to claims arising from Customer's or third parties' usage of Frontier Internet access through Customer's hardware or software.

Customer shall not bundle or resell Frontier Internet access Services unless Customer subscribes to a Schedule designed for the provision of Internet access by Customer to its customers through Frontier facilities.

21. Non-Frontier Maintained Equipment

If Customer elects to maintain a PBX or similar switching or routing equipment directly or through a third party, then Customer assumes all risks of such maintenance including but not limited to toll fraud that may occur as a result of weak, default or missing passwords. Frontier will not provide credits for fraudulent usage if Frontier does not maintain the equipment.

22. Additional Provisions (if applicable, Customer to initial where indicated)

a. Surcharge Exemption Certification (applies to special access / private line circuits):

Customer certifies [initial: \_\_\_\_\_]: That any special access lines/circuits to be provided by Frontier do not include a termination connected to a PBX or other device capable of interconnecting the line/circuit to a local exchange subscriber line.

Customer understands that if it cannot so certify, or otherwise qualify for another exemption under Frontier's tariff, a special access surcharge may be required to be assessed on each dedicated line/circuit.

b. Interstate / Intrastate Pricing Certification (applies to dedicated point-to-point services):

If the Schedules include dedicated point-to-point Service(s), Customer certifies that its dedicated point-to-point traffic over such Services:  [initial: \_\_\_\_\_] will be more than 10% interstate in nature; OR  [initial: \_\_\_\_\_] will be 10% or less interstate in nature. The term "interstate in nature" means that the traffic originates in one state and terminates in another state or outside the United States, regardless of how it is routed.

~~INTERNAL USE ONLY~~ SELECT ONE:  ICB |  NA ]

FRONTIER:

Frontier Communications Northwest Inc.

Signature: \_\_\_\_\_

Printed Name: Andre' Gervais

Title: RSM

Date: 9-19-2012

CUSTOMER:

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: EVP & CIO

Date: 9-12-2012

[ This Schedule is applicable to this Frontier Services Agreement. ]

**BUSINESS TRANSPORT SCHEDULE**

**This is Schedule Number 1** to the Frontier Services Agreement dated September 12 \_\_\_\_\_, 2012 between \_\_\_\_\_ and Frontier. This Schedule is dated September 12, 2012. Customer orders and Frontier agrees to provide the Services listed below initiated by Customer.

**Location of Services ordered:**  
Multiple Locations in Washington and Oregon in Frontier Territory

(Include a separate schedule for each service location if more than three)

Product	Rate / MRC	# Lines/Circuits/ Channels	Install Charge	Minimum Term	Total
T-1 PRI Multiple locations in WA.	\$350.00	23B & 1D	\$0	3 Years	\$350.00
Fractional T-1	\$		\$		\$
T-1 PRI Multiple locations in OR.	\$350.00	23B & 1D	\$0	3 Years	\$350.00
DDS	\$		\$		\$
DS3	\$		\$		\$
OC3	\$		\$		\$
Other:	\$		\$		\$
Other:	\$		\$		\$
<b>Total Install Charge</b>			\$0 Per Site	<b>Total MRC</b>	\$350.00 Per Ckt

\*\*\*Included in the base rate are: All Circuit costs. Does not include Taxes and State Surcharges.

Inside wire work, if required, is extra.

**Note:** Any minimum term commitment begins on the effective billing date for the applicable Service.

9-12-12