

**UNITED TELEPHONE COMPANY OF THE NORTHWEST  
d/b/a EMBARQ  
SERVICE CONTRACT  
ESSENTIAL TERMS AND CONDITIONS**

Contract Number:	T08-TSD-924
Effective Date:	July 1, 2009
Contract Term:	36 Months
Service Location:	Stevenson, WA
Services Offered:	10 Mbps Enhanced Ethernet
Number of Sites:	2
Monthly Recurring Charge:	\$ 2,330.00

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The accompanying cost support documents provide the basis for the rates in the contract as well as demonstrating that the rates cover the cost of providing the service.

The Company is offering the service via contract as Ethernet service is not offered in the Washington tariff.

## Supplemental Work Order [SCSD-10]

to  
Contract Number T08-TSD-924  
for  
Ethernet Transport Services

This Supplemental Work Order 09-10 (SWO) is made and entered by and between [redacted] ("Purchaser"), and Embarq ("Contractor"), pursuant to Section 21 of that certain contract No. T08-TSD-924, for Ethernet Transport Services.

### Recitals

WHEREAS, Pursuant to Section 27.1 of the Contract, [redacted] issued a Secondary Competition for Advanced Transport Services, dated 12/30/2008; and

WHEREAS, Vendor submitted a successful proposal for the Secondary Transport Services dated 02/02/2009; and

NOW THEREFORE, in consideration of the recitals set forth above, and for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereby agree as follows. Unless otherwise defined, capitalized terms in this Amendment have the meanings ascribed to them in the Contract.

#### 1. Definitions

In addition to the definitions contained in the Contract, the following definitions shall apply to this SWO:

"Secondary Transport Ethernet Contract" shall mean that contract for Ethernet Services between Vendor and [redacted] with reference number T08-TSD-924

"Minimum Service Commitment" shall mean the minimum period in which Purchasers agree to keep circuits in service.

"Node Router" shall mean Customer Router to which vendor delivers an aggregated bundle of VLANS.

"Service Installation Date" shall mean the date on which Services are actually installed, tested, and ready for Purchaser acceptance as defined in Section 6.

#### 2. Term:

This SWO shall be effective as of the date executed by Purchaser (the "Effective Date") and continue in full force and effect for a three year term measured from the latest Service Installation Date for the end sites covered under this SWO.

**3. Incorporation of the Contract:**

The terms and conditions of the Ethernet Contract are hereby restated and incorporated by reference in their entirety.

**4. Service Delivery Locations.**

Vendor agrees to provide, at all times during the Term of this SWO, Ethernet Services at the through out, price, and between the endpoints specified in Attachment 1.

**5. Service Order and Installation**

Vendor agrees, to have the service installed, tested and ready for Purchaser's Acceptance Testing (pursuant to Section 19 of the Contract) on or before ninety (90) days from the date that an order is placed. It is Vendor's responsibility to coordinate the delivery of, install or arrange installation of, test and make operational all items necessary to provide the services described. Vendor agrees to provide written notification to Purchaser Contract Manager and WAN Manager upon service installation, the date of which shall be the "Service Installation Date."

**6. Term of Service – Individual Circuits**

Circuits ordered for each site during the first year following the Effective Date of this SWO shall have a Minimum Service Commitment of twelve (12) months, commencing on the Service Installation Date for that site. The list of circuits covered by this SWO is incorporated by reference and attached hereto.

**7. Termination Liability**

As the sole and exclusive remedy for termination of any Services prior to the end of the term, Customer agrees to pay to Vendor the termination liability as follows:

- For termination during the Minimum Service Commitment, Termination Liability shall be an amount equal to 40% of the monthly recurring cost of the Services terminated times the number of months remaining in the Minimum Service Commitment period, plus 10% of the monthly recurring charges times the number of months remaining in the Term of this SOW after the Minimum Service Commitment.
- For termination after the Minimum Service Commitment, Termination Liability shall be an amount equal 10% of the monthly recurring charges times the number of months remaining in the Term of this SOW after the Minimum Service Commitment.
- Any termination charges shall be due in a lump sum, which shall be invoiced on the last month's invoice for the terminated service.

**8. Service Interface & Termination Requirements**

Vendor agrees to provide, at all times during the Term of this SWO, via a full duplex Ethernet Interface with auto negotiation at the capacities, interfaces, and Purchaser locations specified in Appendix 1. Vendor is solely responsible for all access and fiber/cabling infrastructure to the point of service handoff.

**In Witness Whereof**, the parties hereto, having read this SWO /SCSD-10/ to Contract Number T08-TSD-924 in its entirety, do agree thereto in each and every particular.

**Approved**

\_\_\_\_\_  
*Signature*  
\_\_\_\_\_  
*Print or Type Name*  
\_\_\_\_\_  
*Title* *2-9-2009*  
*Date*

**Approved**

**Embargo**

*Arthur W. Kosk*  
\_\_\_\_\_  
*Signature*  
*Arthur W. Kosk*  
\_\_\_\_\_  
*Print or Type Name*  
*NW General Mgr* *2.9.2009*  
*Title* *Date*

**EMBARQ ETHERNET PRICING**

36 Month term Total NRC built into one per-site MRC		MRC	NRC	Description
Site		\$1,165		10 Mbps Enhanced Ethernet
		\$1,165		10 Mbps Enhanced Ethernet
<b>TOTALS:</b>		<b>\$2,330</b>		

  

36 Month term Total NRC listed as separate MRC		MRC	NRC	Description
Site		\$909.85		10 Mbps Enhanced Ethernet
		\$255.15		NRC as MRC
		\$909.85		10 Mbps Enhanced Ethernet
		\$255.15		NRC as MRC
<b>TOTALS:</b>		<b>\$2,330.00</b>		

**SCHOOLS AND LIBRARIES FUNDING PROGRAM ADDENDUM**

Embarq and Customer are entering an Agreement for the provision of certain telecommunications services, equipment or both ("Service"). The Service may be eligible for discounts or other benefits under the Universal Service Fund Schools and Libraries Program established by the Telecommunications Act of 1996 ("E-Rate Program") and administered by the Universal Service Administrative Company ("USAC") or other administrative body designated by the Federal Communications Commission ("FCC"), or under state or local corollaries to the E-Rate Program (collectively, "Support"). This Addendum is an integral part of the Agreement and is binding when acknowledged by Customer or when Customer receives Service.

**1. EFFECTIVE DATE OF AGREEMENT.** The Term of the Agreement will begin according to the following option selected by Customer:

<input type="checkbox"/> Option 1.	The Term will begin as stated in the Agreement. Customer is requesting Support, but agrees that it will obtain Service and be liable for payment regardless of whether it receives Support.
<input checked="" type="checkbox"/> Option 2.	The Term will begin on July 1, 2009. Customer is requesting Support, but agrees that it will obtain Service and be liable for payment regardless of whether it receives Support.
<input type="checkbox"/> Option 3.	The Term will begin on the last date on which both parties have signed the Agreement and Embarq has received USAC's Funding Commitment Decision Letter or a similar written commitment of Support from a state or local program administrator ("Other Funding Sources"). But if Embarq receives USAC's Funding Commitment Decision Letter or a commitment from an Other Funding Source before July 1, 2009, the effective date of the Agreement will be July 1, 2009. Customer will be responsible for payment for Service throughout the remainder of the Term and for any amounts not covered by the Support, irrespective of the availability of Support for future years.
<input type="checkbox"/> Option 4.	The Term will begin on the last date on which both parties have signed the Agreement. Customer affirms that it is not currently requesting Support for Service. The remainder of this Addendum will not apply to the Agreement if Customer selects Option 4. If Customer subsequently chooses to request Support for Service, Customer will contact Embarq to make appropriate arrangements.

If Customer does not indicate an affirmative choice above, Embarq will treat the Agreement as if Customer selected Option 4.

**2. APPLICATIONS FOR SUPPORT.** Following execution of the Agreement and if Customer chooses to seek Support for Service, Customer will take the following steps to request Support depending on the source of such funds.

- A. **USAC.** Customer will take appropriate steps to ensure that USAC receives a Form 471 application (or its successor form) and any other necessary documentation to request Support for Service. For Service provided in multiple years, Customer will submit subsequent Forms 471 to request Support. Customer will promptly provide Embarq with a copy of its Funding Commitment Decision Letter and all other relevant documentation requested by Embarq. Customer will abide by all FCC and USAC rules and obligations for receipt of Support, including but not limited to submission of Form 486 (or its successor form) confirming receipt of Service.
- B. **Other Funding Sources.** If desired, Customer will take all necessary steps to request Support from Other Funding Sources. Customer will promptly notify Embarq in writing of its receipt of a Support commitment from Other Funding Sources, and will include a copy of its application and Other

Funding Source documentation in such notice to Embarrq. Customer will abide by all Other Funding Source rules and obligations for receipt of Support.

**3. RECEIPT OF SUPPORT.**

- A. **USAC.** Customer will pay, in full, all invoices issued by Embarrq prior to Embarrq's receipt of notification from USAC of Customer's Form 486 filing and Embarrq's receipt of the service worksheet. Upon notification, Embarrq will apply discounts or reimburse Customer according to the Funding Commitment Decision Letter, Form 486 for Service delivered, and Embarrq worksheet delineating the associated accounts. Embarrq may require Customer to seek USAC reimbursement via Form 472 if Customer has not received its USAC Funding Commitment Decision Letter by December 31 of the funding year. All discounts or reimbursements will be retroactive to the date authorized by USAC's funding year. Embarrq will either apply a credit to Customer's account or provide Customer with a check or credit corresponding to USAC's Support commitment as calculated after providing Service.
- B. **Other Funding Sources.** Customer will pay, in full, all invoices issued by Embarrq prior to Embarrq's receipt of notification from the Other Funding Source acknowledging Customer's receipt of Service. Upon notification, Embarrq will apply discounts or reimburse Customer for Service delivered under the terms of the Agreement and corresponding to the Other Funding Source acknowledgement. These discounts or reimbursements will be retroactive to the date authorized by the Other Funding Source funding year. Embarrq may apply a credit to Customer's account or provide Customer with a check corresponding to the Other Funding Source's Support commitment as calculated after providing Service.

**4. FAILURE TO OBTAIN SUPPORT.**

- A. If, for any reason other than Embarrq's material failure to deliver Service under the terms of the Agreement, the FCC, USAC or Other Funding Sources fail to reimburse Embarrq for Service, or if the FCC, USAC or Other Funding Sources reclaim any portion of Support paid to Embarrq on Customer's behalf, then Customer will reimburse Embarrq for these amounts.
- B. While Embarrq will use commercially reasonable efforts to assist Customer in requesting Support, Embarrq is not responsible for Customer's compliance with FCC, USAC or Other Funding Source rules and regulations, Customer's applications for Support, or any decisions or actions by the FCC, USA C or Other Funding Sources with respect to Customer.

**5. TITLE TO EQUIPMENT.** Any equipment for which Customer is not applying for Priority 2 Support under the E-Rate Program, and is used in the provision of Services under the Agreement, is the property of Embarrq. Customer neither owns nor will acquire any right of ownership to any such Embarrq-provided equipment. Upon termination or expiration of the Agreement, Customer will surrender and immediately return the Embarrq-provided equipment to Embarrq or will provide Embarrq access to reclaim such equipment.

**6. PRECEDENCE AND INTERPRETATION.** The terms and conditions of this Addendum take precedence over all conflicting terms and conditions in the Agreement. All other terms and conditions of the Agreement remain unchanged.

Acknowledged this 9 day of Feb, 2009

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title