



PAETEC

IP Simple Equipment Rental Terms and Conditions Schedule

In addition to the general terms and conditions contained in the service agreement between PAETEC and Customer (the "Agreement"), of which this Schedule is a part, Customer agrees that the following terms and conditions apply to the IP Simple Rental Equipment provided to Customer by PAETEC.

1. **Title.** PAETEC retains rights, title and interest in and to the IP Simple Rental equipment ("Equipment") you have rented from PAETEC. Customer is strictly prohibited from encumbering in any way or granting any interest in the PAETEC Equipment to any third party.

2. **Delivery.** Customer agrees, at its sole expense, to provide the proper environment and the electrical and telecommunications connections for the Equipment rented from PAETEC. Customer is solely responsible for correcting any hazardous conditions that may adversely affect PAETEC personnel or the Equipment. PAETEC shall use commercially reasonable efforts to begin Equipment delivery prior to the scheduled installation date. If PAETEC is unable to complete delivery and installation within sixty (60) days of any scheduled installation date, solely for reasons beyond Customer's control or due to force majeure, CUSTOMER'S EXCLUSIVE REMEDY SHALL BE TO CANCEL THE EQUIPMENT RENTED UNDER THE AGREEMENT WITHOUT INCURRING A "CANCELLATION FEE" OR "RESTOCKING FEE," AND PAETEC SHALL ACCEPT THE RETURN FROM CUSTOMERS OF ALL RENTED EQUIPMENT.

3. **Installation and Configuration.** If applicable, PAETEC will provide installation and configuration services as described in the Rate Schedule(s) to the Agreement.

4. **WARRANTIES/DISCLAIMER. NO WARRANTY.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, PAETEC DISCLAIMS AND EXCLUDES ALL REPRESENTATIONS, WARRANTIES, AND CONDITIONS WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO REPRESENTATIONS, WARRANTIES, OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY CONDITION OR QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SERVICES, OR ANY EQUIPMENT (MANUFACTURED BY EITHER ALLWORX OR ANY NON-ALLWORX COMPANY) RENTED FROM PAETEC. PAETEC WARRANTS ONLY THAT ITS SERVICES SHALL BE PERFORMED IN A TIMELY, PROFESSIONAL AND WORKMANLIKE MANNER BY QUALIFIED PERSONNEL. IF SERVICES ARE NOT PERFORMED AS WARRANTED AND CUSTOMER NOTIFIES PAETEC IN WRITING WITHIN 30 DAYS, CUSTOMER'S EXCLUSIVE REMEDY IS THAT PAETEC WILL RE-PERFORM THE NON-CONFIRMING SERVICES. CUSTOMER'S EXCLUSIVE REMEDY WITH RESPECT TO THE EQUIPMENT RENTED UNDER THE AGREEMENT IS AS SET FORTH IN THE LIMITED WARRANTY, IF ANY, DELIVERED WITH THE EQUIPMENT FROM THE EQUIPMENT MANUFACTURER. THESE WARRANTIES AND LIMITATIONS FROM THE EQUIPMENT MANUFACTURER ARE CUSTOMER'S EXCLUSIVE WARRANTIES AND SOLE REMEDIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, WITH RESPECT TO THE RENTED EQUIPMENTS, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

5. Customer agrees, at its sole expense, to provide the proper environment and electrical and telecommunications connections for all of the Equipment. Customer is solely responsible for correcting any hazardous conditions that may adversely affect PAETEC personnel or the Equipment. If Customer is unable or unwilling to schedule or accept delivery or installation on the date PAETEC tenders delivery or installation, PAETEC shall have the right to initiate billing for the amounts due hereunder as of the date delivery was tendered. Customer shall be solely responsible for the return of Equipment to PAETEC, upon expiration or termination of the Agreement, in good repair, condition and working order, ordinary wear and tear excepted, at the location(s) within the continental United States specified by PAETEC. Customer shall remain obligated to fulfill the remainder of the applicable Agreement notwithstanding the early termination of this Schedule.

6. **Use of Equipment.** Customer agrees that this Agreement shall not grant Customer any property rights in any of the Equipment. Customer shall use the Equipment solely in the conduct of its business, in a manner and for the use contemplated by the manufacturer thereof. PAETEC shall be entitled to inspect the Equipment at reasonable times. PAETEC may require markings to be affixed to the Equipment. Customer shall keep the Equipment free from any

markings or labeling which might be interpreted as a claim of ownership thereof by Customer. Without the prior written consent of PAETEC, Customer shall not assign, lend, pledge, transfer, or sublease the Equipment, permit to exist any security interest, lien or encumbrance with respect to any of the Equipment; or cause or permit any of the Equipment to be moved from the location specified in the Agreement. Customer shall bear the risk of any loss, theft, damage or destruction to the Equipment during the Term. Customer shall obtain and maintain at its own expense insurance against the loss of or damage to the Equipment, including, without limitation, loss by fire or other casualty. Customer acknowledges that PAETEC may lease the Equipment from, or pledge any or all of its rights in the Equipment to any entity or other financing source (each a "Lessor") and Customer shall comply with any and all directions from such Lessor regarding the Equipment, including releasing the Equipment to Lessor upon written request. Customer hereby irrevocably authorizes PAETEC and/or Lessor to file and record such Uniform Commercial Code financing statement(s), amendments and continuations and/or other lien recordation documents as may be prudent to confirm and maintain PAETEC's and/or Lessor's interest in the Products.

7. Maintenance Services. PAETEC may provide routine diagnostic and maintenance services (the "Maintenance Services") on the Equipment, as follows:

(a) In the event that Customer is experiencing a problem with the Equipment, Customer shall be required to call PAETEC Customer Service at 1.877 340 2555 and open a trouble ticket. PAETEC shall respond to Customer's request via telephone or email within (4) business hours, Monday through Friday, 8am-5pm local time, excluding holidays and weekends ("Normal Business Hours") for any emergency request, defined for the purposes hereof as 50% or greater of Customer's Equipment not in service. PAETEC will respond to all non-emergency requests within forty-eight (48) Normal Business Hours. Customer shall be required to provide VPN access at the location where the Equipment is housed to enable PAETEC to provide remote support. If the problem cannot be identified and resolved per the terms of this Section via remote support, PAETEC will dispatch a technician or Project Engineer to the Customer's location during normal business hours at the times and rates listed in 11 (c) below. Customer will not be responsible for charges associated with Equipment failure and subsequent replacement, but will be responsible for payment of charges incurred for any move, add, change or disconnect (MACD) at the time and materials rates in 11 (c) below.

(b) PAETEC shall use all commercially reasonable efforts to identify and correct the problem with the Equipment. Maintenance Service includes upgrading Allworx software versions and fixing or arranging to have Equipment fixed. If the Equipment cannot be fixed and none of the exclusions in subsection (d) below apply, PAETEC shall replace the defective equipment with either new or reconditioned equipment.

(c) Maintenance Services may be provided by a PAETEC affiliate or subcontractor selected by PAETEC at its sole discretion.

(d) If persons other than those employed by PAETEC shall repair, modify or perform any maintenance service on any Equipment, or if Customer fails to maintain the Equipment in accordance with the manufacturer's requirements, and as a result of either of the foregoing, further Maintenance Services by PAETEC are required to restore the Equipment to good operating condition or the Equipment needs to be replaced, such further Maintenance Services or replacement Equipment charges shall be billed to Customer at PAETEC's the time and materials rates in 11 (c) below. Customer must notify PAETEC in the event that Customer re-locates the Equipment to any Service location other than the Service location where the Equipment was initially installed or any other location or facility. PAETEC has the right to terminate the Agreement for cause if Customer relocates any Equipment to another location or facility that is not a Service location under the Agreement and which is outside of the PAETEC serving area. Notwithstanding the foregoing, at Customer's request PAETEC will use commercially reasonable efforts to provide services to Customer at such other location or facility.

8. Return Policy. When Customer is required to return any Equipment to PAETEC for warranty service, Customer agrees to obtain PAETEC's concurrence prior to returning any Equipment for repair or replacement and must reference any return material authorization number (RMA) issued by PAETEC on documentation accompanying such returned Equipment. Customer further agrees to ship such Equipment prepaid and suitably packaged to a location designated by PAETEC. PAETEC will return to the Customer any repaired or replaced Equipment at PAETEC's expense. PAETEC is responsible for loss of, or damage to the Equipment while it is a) in PAETEC's possession or b) in transit back to Customer. The replacement Equipment may not be new, but will be in working order and equivalent to the Equipment exchanged as determined in good faith by PAETEC. Customer agrees to ensure that any returned Equipment is free of any legal obligations or restrictions that prevent its exchange and represents that all returned Equipment are genuine and unaltered.

9. Time and Materials. Customer acknowledges that all Time and Material cost quotes issued by PAETEC are estimates. PAETEC will invoice and Customer agrees to pay PAETEC for all actual time and materials incurred to install the Equipment.

10. End of Term Options. At the end of the Term of the Agreement, Customer must either return the Equipment, upgrade the Equipment with the most current technology at current PAETEC rates, renew the Agreement at a renegotiated rate, or

purchase the Equipment at its then current fair market value. The fair market value is the price of the Equipment as determined by commercially reasonable means at the end of the Term of the Agreement.

11. PAETEC Services.

(a) PAETEC's ability to install the Equipment and/or complete any MACD ordered by Customer depends upon Customer's full and timely cooperation, plus the accuracy and completeness of information provided by Customer.

b) Upon completion of any MACD performed by PAETEC, Customer has until 5pm Eastern Time on the second (2nd) Business Day thereafter in order to re-open the same MACD request and not incur additional charges.

(c) Services Rates and Minimum Increments. For any remote or dispatch MACD performed by PAETEC during Normal Business Hours, Customer acknowledges and agrees to pay PAETEC at the following rates and increments:

Type	Hourly Rate	Minimum	Increment
Technician – Remote	\$100.00	30 Minutes	30 Minutes
Technician – Dispatch	\$125.00	2 Hour	1 Hour
Engineer – Remote	\$180.00	30 Minutes	30 Minutes
Engineer – Dispatch	\$180.00	2 Hour	1 Hour

For any MACD Service performed outside Normal Business Hours, Customer agrees to pay PAETEC 1.5 times the current PAETEC hourly rate listed above and that the same applicable minimum service increment. The determination of whether a Technician or an Engineer must complete a MACD is exclusively mandated by the manufacturer of the Equipment ordered by the Customer.

12. Customer acknowledges and agrees that PAETEC shall utilize Customer's existing cables and jacks unless both parties otherwise agree. If PAETEC is required to perform work on Customer's existing cables and jacks in order to accommodate the Equipment ordered by Customer, Customer agrees to pay PAETEC on a commercially reasonable time and material basis based on the rates listed above after notifying Customer and obtaining Customer's permission.

13. PAETEC recommends that Customer obtain a Network assessment prior to deploying any VoIP equipment. Customer acknowledges that voice quality can be negatively impacted with improper network infrastructure. Customer agrees that PAETEC is expressly not liable for any voice quality issues if Customer failed to have performed a Network assessment from a qualified provider.

14. Customer agrees that PAETEC will support all off net, home or "road warrior" VoIP access to voice CPE on a time and materials basis based on the rates listed above due to many uncertainties caused by numerous service providers, available bandwidths, existing modems and lack of quality of service available on those circuits. PAETEC simply warrants to use commercially reasonable efforts to accommodate Customer on such circumstances.