



PAETEC STANDARD TERMS AND CONDITIONS OF SERVICE

1. SCOPE. These terms and conditions apply to the provision of all telecommunications and related services ("Services") by PAETEC¹ ("PAETEC") to Customer under the service agreement ("Agreement") to which this schedule is a part. The Services will be offered in each area to the Customer by PAETEC or by an entity (the "Authorized Entity") which is a subsidiary or affiliate of PAETEC authorized to provide the Services in the applicable jurisdiction. The terms and conditions of this Agreement are, and shall be, applicable to the Services provided to the Customer by each Authorized Entity.

2. TERM.

a) The Agreement shall be effective on the latter of Customer or PAETEC's signature dates on the Service Agreement ("Effective Date"). The term of the Agreement and the Minimum Monthly Fee shall commence upon Acceptance of the Service (as hereinafter defined) at all of the Service Locations covered by this Agreement, or the Effective Date, whichever is later, and shall continue in full force and effect for the time period indicated on the first page of the Agreement ("Term"), unless earlier terminated in accordance with its terms. During the time prior to commencement of the Term, Customer shall be responsible for paying any monthly recurring charges for circuits and/or facilities Accepted at the Service Location(s) which will carry either data, voice or both and associated actual usage of the Services, plus applicable taxes and surcharges, *provided that* in the event Customer cancels the Agreement at any time during this period prior to commencement of the Term, except as permitted by Section 6 of the Standard Terms, Customer shall be responsible for the early termination charges as set forth in Section 7b of the Standard Terms. "**Acceptance**" as used herein shall mean the earlier of: (i) actual use of the Services; (ii) the date the Service is installed and is running in test mode in accordance with the requirements of this Agreement, with no trouble tickets established by Customer, or (iii) seven (7) days after delivery of the circuits and/or facilities to Customer's premise. After expiration of the Term, except where prohibited by state law, the Agreement, exclusive of any previously applicable Equipment for Services ("EFS") arrangement shall renew automatically for successive renewal terms, each for a period of time equal to the original Term or such lesser amount as permitted by state law, unless either Party serves the other Party with written notice of such Party's intent not to renew the Agreement at least thirty

(30) days prior to expiration of the then current Term. If a party provides written notice of its intent not to renew, the Services shall continue under the terms and conditions of the Agreement, including application of the Minimum Monthly Fee, after expiration of the Term on a month to month basis with the Services priced at PAETEC's then current monthly rates exclusive of any Term and Volume discounts, promotions or EFS arrangements, until each respective service is canceled by either Party upon thirty (30) days written notice to the other Party. PAETEC'S provision of Services is contingent upon Customer's compliance with PAETEC'S credit requirements, which requirements may be revised during the Term hereof in PAETEC'S sole and reasonable discretion.

b) ADDITIONAL SERVICES. Additional Services may be added from time to time by Customer, which Additional Services will be co-terminus with the Term of the Agreement *provided that* (i) a minimum in-service period of one (1) year ("Minimum In-Service Period") shall apply for each Additional Service; (ii) the parties amend this Agreement to add the rate schedule applicable to such Additional Service; and (iii) the Minimum Monthly Fee shall be adjusted accordingly. In the event that the Term of the Agreement expires prior to expiration of the Minimum In-Service Period for any Additional Services, the Agreement shall continue in full force and effect with respect to such Additional Service only until expiration of the Minimum In-Service Period. In the event that Additional Services are terminated prior to the expiration of the applicable Minimum In-Service Period, Customer shall be responsible for payment to PAETEC of an amount equal to the monthly recurring charges for such terminated Additional Service, multiplied by the number of months remaining in the applicable Minimum In-Service Period.

3. RATES AND CHARGES.

a) The rates and charges for the Services shall be those set forth in the rate schedule to the Agreement (the "Rate Schedule") or other appropriate schedule thereto, in addition to PAETEC's tariffs, as applicable and as amended from time to time. All rates and charges set forth in any preliminary quote are subject to final approval and acceptance by PAETEC. The rates and charges in the Rate Schedule apply only to the Services provided at the service address listed on the Rate Schedule of the Agreement. Each additional Customer location added after the Effective Date of the Agreement shall require its

own rate schedule. Calls made using any service offered by PAETEC are rounded up to the next cent at the termination of the call. For any PAETEC service used by Customer for which a rate is not specified in the Agreement, PAETEC's standard business rate shall apply.

b) Notwithstanding the foregoing, Customer guarantees to PAETEC payment of a Minimum Monthly Fee in the amount set forth on the first page of the Agreement ("Minimum Monthly Fee"). For each month Customer agrees to pay the greater of (i) the total amount otherwise due for the month for all Services and any Equipment provided under the Agreement, or (ii) the Minimum Monthly Fee. Compliance with the Minimum Monthly Fee shall be based on Customer's Service charges prior to application of any taxes or surcharges.

c) If ten percent (10%) or more of Customer's completed calls are equal to or less than 6 seconds in length ("Short Duration Calls") during any calendar month, PAETEC reserves the right to charge and Customer shall be responsible for payment of a surcharge of \$0.01 per Short Duration Call, which surcharge shall be in addition to the rates and charges for the Services and all other applicable surcharges and taxes. If more than forty percent (40%) of Customer's total call attempts are uncompleted during any given month, per trunk group and DS0 circuit, PAETEC reserves the right to disconnect the affected circuit or to charge Customer \$10 per DS0 per month per trunk group. If applicable, the same metrics will be applied on a session (or DS0 equivalent) basis for SIP based termination Services.

4. TAXES AND SURCHARGES. In addition to the rates and charges for the Service(s), Customer shall be responsible for payment of all local, state and federal taxes, fees and surcharges, however designated, imposed on or based upon the provision, sale, or use of the Services, excluding taxes based on PAETEC'S net income. Customer shall be responsible for the payment of all surcharges in effect from time to time, including but not limited to USF, and payphone surcharges, as required or permitted by applicable law, regulation or tariff ("Price List") and/or as specified on the PAETEC website at <http://www.paetec.com/notice/legalnotice.html>. To the extent a sale is claimed to be subject to a tax exemption, and Customer provides PAETEC with a proper tax exemption certificate as authorized or required by statute or regulation of the jurisdiction providing said tax exemption, PAETEC agrees to exempt Customer from the collection of taxes to the extent warranted by such certificate(s). Failure to timely provide said certificate will result in no exemption being available to Customer for any period prior to the date that the Customer presents a valid certificate.

5. BILLING AND PAYMENT. Billing for a Service shall commence upon Acceptance (as previously defined). All bills are due and payable upon receipt. If Customer's bill is not paid by the date which is thirty (30) days after the invoice date listed on the bill (the "Due Date"),

Customer also shall pay PAETEC a monthly late charge amount equal to 1.5% of the unpaid balance due (or such lesser amount as is the maximum amount permitted under applicable law). Customer must provide PAETEC with written notice of any disputed charge(s) within ninety (90) days after the invoice date listed on the bill or shall be deemed to have waived its rights to dispute the charges. If the dispute is filed on or before the Due Date for the respective invoice, Customer shall pay the invoiced amount minus the disputed amount by the Due Date. Customer shall have no right to withhold amounts not disputed by the Due Date, *provided that* payment of an invoice shall not be deemed a waiver of Customer's rights to later dispute an invoice within the time period established in this Section. The dispute notice shall set forth in writing in reasonable detail the information concerning the disputed charges and reasons for the dispute. PAETEC and Customer shall attempt in good faith to promptly resolve any objection to the invoiced amount. If the dispute is subsequently resolved in favor of PAETEC, Customer shall pay the disputed amount previously withheld within ten (10) days of such resolution, including interest at the rate specified above from the original due date. If the dispute is subsequently resolved in favor of Customer, PAETEC shall issue a credit on Customer's subsequent invoice for the disputed amount. If PAETEC initiates legal proceedings to collect any amount due hereunder and PAETEC substantially prevails in such proceedings then Customer shall pay the reasonable costs and expenses, including but not limited to reasonable attorney fees, expenses, court costs and service charges, incurred by PAETEC in collecting payment and/or in prosecuting such proceedings and any appeals therefrom.

6. TERMINATION.

a) A party may terminate the Agreement on thirty (30) days' written notice if the other party materially breaches the Agreement and such breaching party fails to cure the breach within such notice period, *provided that* the cure period for breach of any of Customer's payment obligations shall only be ten (10) days, or as provided by law.

b) A party may terminate the Agreement upon written notice to the other party if (i) the other party dissolves or becomes insolvent; (ii) the other party makes an assignment for the benefit of creditors; (iii) the other party suspends the transaction of its usual business or consents to the appointment of a trustee or receiver; or (iv) a receiver of the other party is appointed.

c) If Customer (or any Customer affiliate) is in default of the terms of any other agreement between PAETEC (or any PAETEC affiliate) and Customer (or any Customer affiliate), including but not limited to any payment obligation to PAETEC or its affiliates, then PAETEC, at its sole option, may consider such default as a default under this Agreement and provide notice of default in accordance with the terms of this Agreement. Customer

further understands and agrees that any breach by Customer of its obligations under this Agreement shall also be deemed a breach by Customer of its obligations under any other agreements it (or any Customer affiliate) has entered into with PAETEC and/or its affiliates and understands and agrees that any such breach shall authorize PAETEC and/or any of its affiliates to immediately suspend performance under, and or terminate, said agreements with Customer (or Customer's affiliates) for default.

d) In addition to PAETEC's remedies under Section 5 and Section 6(a) hereof, PAETEC shall have the right on fifteen (15) days prior notice to immediately and without further notice suspend Services to Customer in the event of nonpayment by the Due Date of any charges not disputed in accordance with the provisions of Section 5.

7. TERMINATION LIABILITY.

a) If the Agreement is terminated anytime during the Term, Customer shall pay to PAETEC, immediately upon demand, (i) all sums then due and unpaid plus (ii) an amount equal to the Minimum Monthly Fee times the number of months left in the Term. No termination liability will apply in the event that the Agreement is terminated by Customer pursuant to Section 2 at the end of a Term or 6 above as the result of a PAETEC breach, however, in such event Customer shall be responsible for payment of all charges incurred prior to the termination date.

b) In the event Customer terminates the Agreement at any time during the period prior to commencement of the Term, except as permitted by Section 6 above, Customer shall pay to PAETEC, immediately upon demand, (i) all sums then due and unpaid the Services plus (ii) an amount equal to six (6) times the Minimum Monthly Fee.

8. LIMITATIONS OF SERVICE. Notwithstanding any other provision contained herein, this Agreement shall apply only to non-carrier services provided directly to Customer for use only by Customer. For the avoidance of doubt, Customer may not purchase services under this retail service agreement and resell services to end users. Resellers may only secure services from PAETEC under a wholesale service agreement. This Agreement also does not constitute a joint undertaking for Customer's furnishing of any service to its own customers. Services provided to Customer under this Agreement may be connected to other facilities between certain locations and thereby constitute a portion of end-to-end service furnished by Customer to its customers.

9. COMPLIANCE WITH LAWS. Each party shall comply with all applicable laws, regulations, court decisions or administrative rulings regarding the provision or use of the Services. Without limiting the foregoing, all customers that utilize the Services for the purpose of making telephone solicitations must comply with the national do-not-call requirements, including the rules as set forth in 47 C.F.R. Section 64.1200 and 16 C.F.R. Part

310. Failure to do so shall constitute a material breach of the Agreement.

10. UNAUTHORIZED USE OF SERVICES.

a) Except as provided in subsection (b) below, Customer, and not PAETEC, shall bear the risk of loss arising from any unauthorized or fraudulent usage of Services provided under the Agreement to Customer. PAETEC reserves the right, but is not required, to take any and all action it deems appropriate (including blocking access to particular calling numbers or geographic areas) to prevent or terminate any fraud or abuse in connection with the Services, or any use thereof, provided, however, that any such action shall be consistent with applicable federal and state laws, rules, and regulations. In addition, as a condition of receiving the telecommunication services contemplated hereunder, Customer shall at all times order adequate trunking for Customer's call volume. In the event Customer's call trunking is inadequate to accommodate the call volume it is receiving at any given time then PAETEC may, at its sole option, restrict or block calls to the applicable circuits.

b) Notwithstanding the foregoing, Customer shall not be liable for unauthorized or fraudulent usage to the extent that (i) Customer has previously notified PAETEC of the problem; (ii) the problem was within PAETEC'S reasonable ability to correct or prevent, and (iii) PAETEC negligently or willfully fails to correct or prevent such unauthorized or fraudulent usage.

11. WARRANTY. THE QUALITY OF SERVICE PROVIDED HEREUNDER SHALL BE CONSISTENT WITH COMMON CARRIER INDUSTRY STANDARDS, GOVERNMENT REGULATIONS AND SOUND BUSINESS PRACTICES. PAETEC MAKES NO OTHER WARRANTIES ABOUT THE SERVICE PROVIDED HEREUNDER, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PAETEC DOES NOT AUTHORIZE ANYONE TO MAKE A WARRANTY ON PAETEC'S BEHALF AND THE CUSTOMER MAY NOT RELY ON ANY STATEMENT OF WARRANTY AS A WARRANTY OF PAETEC. THIS SECTION SURVIVES TERMINATION OF THE AGREEMENT.

12. LIMITATIONS OF LIABILITY.

a) IN NO EVENT SHALL EITHER PARTY (OR ITS AFFILIATES, EMPLOYEES, OFFICERS, DIRECTORS OR AGENTS) BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, LOSS OF PROFITS, OR LOSS OF CUSTOMERS, CLIENTS OR GOODWILL ARISING IN ANY MANNER FROM THE AGREEMENT AND/OR THE PERFORMANCE OR NONPERFORMANCE HEREUNDER. THIS DOES NOT LIMIT CUSTOMER'S RESPONSIBILITY FOR

THE PAYMENT OF ANY AND ALL PROPERLY DUE CHARGES. THIS SECTION SHALL SURVIVE FAILURE OF AN EXCLUSIVE OR LIMITED REMEDY AND TERMINATION OF THE AGREEMENT.

b) PAETEC'S ENTIRE LIABILITY AND CUSTOMER'S EXCLUSIVE REMEDIES WITH RESPECT TO ANY SERVICE PROVIDED TO CUSTOMER (INCLUDING WITHOUT LIMITATION WITH RESPECT TO THE INSTALLATION, DELAY, PROVISION, TERMINATION, MAINTENANCE, REPAIR, INTERRUPTION, OR RESTORATION OF ANY SUCH SERVICE) OR BREACH OF THE AGREEMENT, WHETHER IN AN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, TORT, INCLUDING NEGLIGENCE, INDEMNITY OR STRICT LIABILITY, SHALL BE AS FOLLOWS: (I) FOR A SERVICE QUALITY CLAIM (INCLUDING INTERRUPTION IN SERVICE), THE OUTAGE CREDIT UNDER THE SERVICE LEVEL AGREEMENT; (II) FOR TANGIBLE PROPERTY DAMAGE OR PERSONAL INJURY CAUSED BY PAETEC'S NEGLIGENT ACTS OR OMISSIONS, OR FOR ANY DAMAGES ARISING FROM THE WILLFUL MISCONDUCT OF PAETEC, THE AMOUNT OF PROVEN DIRECT DAMAGES; AND (III) FOR ALL OTHER CLAIMS NOT COVERED BY THE FOREGOING SUBSECTIONS, THE AMOUNT OF PROVEN DIRECT DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE CHARGE APPLICABLE UNDER THE AGREEMENT FOR THE PERIOD DURING WHICH SERVICES WERE AFFECTED. IN NO EVENT SHALL PAETEC'S AND ITS AFFILIATES' CUMULATIVE LIABILITY FOR ALL CLAIMS (EXCLUDING (II) ABOVE) ARISING OUT OF THIS AGREEMENT EXCEED THE TOTAL AMOUNT OF ALL FEES PAID BY CUSTOMER TO PAETEC HEREUNDER. THIS SECTION SURVIVES TERMINATION OF THE AGREEMENT.

c) PAETEC also shall not be liable for any damages arising out of or relating to: interoperability, interaction, access or interconnection problems with applications, equipment, services, content or networks not provided by PAETEC; Service interruptions or lost or altered messages or transmissions (except to the extent credit allowances are specified in the applicable Service Level 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.

13. FORCE MAJEURE. Except with respect to Customer's payment obligations for Services rendered prior to the commencement of a Force Majeure event, notwithstanding any other provision of the Agreement, neither Party shall be liable to the other Party for any delay or failure in performance of the Agreement to the extent such delay or failure is caused by fire, flood, explosion, accident, war, strike, embargo, governmental

requirement, civil or military authority, Act of God, inability to secure materials or labor or any other causes beyond its reasonable control. Any such delay or failure shall suspend the Agreement until the Force Majeure ceases.

14. RELATIONSHIP OF PARTIES. Neither the Agreement nor the provision of Service hereunder shall be deemed to create any joint venture, partnership or agency between PAETEC and Customer. The Parties are independent contractors and shall not be deemed to have any other relationship. Neither Party shall have, or hold itself out as having, the power or authority to bind or create liability for the other by its intentional or negligent act.

15. PAETEC FACILITIES. Equipment furnished by PAETEC shall remain its property and shall be returned to PAETEC on expiration or termination of the Agreement or as earlier requested by PAETEC, in good condition, reasonable wear and tear excepted. Customer shall reimburse PAETEC for any loss of, or damage to, PAETEC'S facilities or equipment on the Customer's premises, except loss or damage caused by PAETEC'S own employees, agents or contractors.

16. NOTICES. All notices and communications under the Agreement shall be in writing and shall be given by personal delivery, by registered or certified mail, return receipt requested, by regular U.S. mail, or by facsimile transmission, addressed to the respective Party as set forth in the first page of the Agreement or to such other address as may be designated in writing by such Party. Notice shall be deemed given upon mailing or sending.

17. ENTIRE AGREEMENT. The Agreement, including these Standard Terms and Conditions, PAETEC's Acceptable Use Policy ("AUP"), Service Level Agreement ("SLA") and all other schedules referenced in the Agreement or at <http://www.paetec.com/notice/legalnotice.html> and which are applicable to the Services purchased by the Customer, PAETEC's applicable tariffs, all of which are expressly incorporated by reference, and any attached schedules signed by both parties, represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all other agreements, written or oral, between the Parties relating to the Service. The tariffs, the Standard Terms and Conditions, AUP, SLA and other applicable schedules referenced in the Agreement or at <http://www.paetec.com/notice/legalnotice.html> may be modified from time to time. Any other modification to this Agreement shall be in writing and signed by authorized representatives of both Parties. In case of any conflict between the provisions of these Standard Terms and any schedule (including any Additional Terms), the provisions of these Standard Terms shall take precedence unless otherwise indicated in the signed attached schedule. A digitized (electronic) copy of the executed Agreement shall be deemed the same as an original copy. The Agreement may be executed in any number of

counterparts, including facsimile counterparts or electronic PDFs, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any hand written notation on this form or on any portion of the Agreement by Customer is rejected in its entirety unless expressly agreed to in writing by a PAETEC Vice President of Sales. The information exchanged between Customer and PAETEC concerning Services, Networks and equipment configuration, as well as information about Customer, constitutes proprietary information. Both Parties agree to keep any such information confidential unless either is obligated by law to disclose information contained herein. Provisions in the Agreement that by their sense and context are intended to survive completion of performance, termination or cancellation of the Agreement, shall survive.

18. REGULATORY CHANGE. PAETEC may amend any contract term or pricing in response to a regulatory change that materially changes the technical feasibility or economics of providing service. PAETEC will notify Customer in writing when exercising this right, after which Customer will have thirty (30) days from the date of the notice to terminate the adversely affected Services for cause by notifying PAETEC in writing. If Customer does not respond in writing to PAETEC within thirty (30) days, Customer waives its right to terminate. For avoidance of doubt, Customer's remedy pursuant to this section shall not apply for rates otherwise subject to change as designated on Customer's Rate Schedule(s).

19. WAIVER. No term or provision herein shall be waived, and no breach or default excused, unless such waiver or consent is in writing and signed by the Party to which it is attributed. No consent by a Party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to or waiver of any subsequent breach or default.

20. PARTIAL INVALIDITY. If any provision of the Agreement shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render the Agreement unenforceable, but rather the Agreement shall be construed as if not containing the invalid or unenforceable provision. However, if such provision is an essential element of the Agreement, the Parties shall promptly attempt to negotiate a substitute therefor.

21. ASSIGNMENT. Customer may not assign the Agreement without the written consent of PAETEC, which consent shall not unreasonably be withheld or delayed; *provided* that no such consent shall be required for any assignment by a party to an entity that either controls or is controlled by or is under common control with that party; or to an entity which succeeds to all or substantially all of such party's assets whether by merger, sale or otherwise; or to any institutional lender to whom this Agreement is assigned as collateral security for any indebtedness of the assignor or any affiliate of the

assignor. In the event of any assignment by Customer as permitted hereunder, the assignee must comply with PAETEC'S credit and security requirements.

22. GOVERNING LAW. The Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of New York, without regard to its conflict of laws principles. Each party consents to personal jurisdiction in the state and federal courts of the State of New York.

23. SPECIAL CONSTRUCTION. Provision of Services is subject to PAETEC's approval of the suitability of Customer's premises for the Services. In addition, Customer shall be responsible for all costs associated with any special construction and/or wiring that may be requested and/or required as part of PAETEC's provision of Service, and all costs arising from any Customer requested change in location of all or part of the Services prior to the completion of construction or installation.

24. TELEPHONE NUMBERS. In no event shall PAETEC be liable for (i) any telephone numbers published or distributed by Customer prior to Acceptance of Service (as hereinabove defined) at all of the Service Locations covered under the Agreement; or (ii) for any directory publishing error.

[end of schedule]

¹ PAETEC is defined for purposes of this Agreement to include PAETEC Communications, Inc., PAETEC Communications of Virginia, Inc., McLeodUSA Telecommunications Services, Inc. d/b/a PAETEC Business Services; McLeodUSA Information Services, Inc; US LEC COMMUNICATIONS INC. d/b/a PAETEC Business Services; US LEC OF ALABAMA LLC d/b/a PAETEC Business Services; US LEC OF FLORIDA LLC d/b/a PAETEC Business Services; US LEC OF GEORGIA LLC d/b/a PAETEC Business Services; US LEC OF MARYLAND LLC d/b/a PAETEC Business Services; US LEC OF NORTH CAROLINA INC. d/b/a PAETEC Business Services; US LEC OF PENNSYLVANIA LLC d/b/a PAETEC Business Services; US LEC OF SOUTH CAROLINA LLC d/b/a PAETEC Business Services; US LEC OF TENNESSEE INC. d/b/a PAETEC Business Services; and US LEC OF VIRGINIA L.L.C. d/b/a PAETEC Business Services.

The PAETEC entity that is providing regulated services to Customer under the Agreement is the entity that is certificated to provide local exchange and intrastate interexchange services in the state in which local exchange service is being supplied. All services provided to Customer by that entity are provided subject to that particular entity's federal and state tariffs. To the extent that multiple operating subsidiaries are certificated in a particular state, the entity providing service is the entity that submitted an order to secure the local access loop that is required to provide such service.