



BUSINESS SOLUTIONS

## TELECOMMUNICATIONS SERVICES AGREEMENT

THIS AGREEMENT IS ENTERED INTO BY AND AGREED BETWEEN Grande Communications Networks LLC, ("Grande") and the "Customer" as described in the accepted Service Request Form attached hereto and incorporated herein (collectively, the "Contract").

1. Services. Subject to the terms and conditions contained herein, Grande agrees to provide to Customer, and Customer agrees to purchase from Grande, the telecommunications service(s) identified in the accepted Service Request Forms attached hereto and incorporated herein (collectively, the "Service").

2. Term. The term of this Agreement with respect to each accepted Service Request Form shall commence on the Requested Service Date (as specified in an accepted Service Request Form) or the date upon which the Service first becomes available, whichever is later (the "Service Commencement Date"). Unless canceled in writing by either party at least thirty (30) days prior to expiration, Service will automatically continue on a month-to-month basis upon the same terms and conditions. The term of the Service under this paragraph is hereinafter referred to as the "Service Commitment Period."

3. Tariff Applicability. If the Service provided hereunder is subject to the rates, terms and conditions contained in Grande's tariffs ("Tariffs") on file with the Federal Communications Commission (FCC) or on file with the Public Utility Commission of Texas ("PUCT"), this Agreement shall be subject to changes, modifications, orders and rulings by the FCC or the PUCT. In the event of a conflict between the terms of the applicable Tariffs and this Agreement, the terms of the Tariffs

shall control and supercede the terms of this Agreement. If Tariffs do not govern the Service, this Agreement and its rates, terms and conditions set forth herein shall fully control. If during the term of this Agreement the Tariffs covering the Service are withdrawn pursuant to statutory changes or orders from the FCC, or other governmental or judicial authority, this Agreement shall continue in full force and effect and the rates, terms and conditions set forth herein shall fully control.

4. Charges. For the Service provided pursuant to this Agreement, Customer shall pay Grande the rates and charges set forth in the applicable Service Request Form. Customer shall also pay all applicable federal, state and/or local taxes, fees and surcharges that may be required under applicable law, regulation or tariffs in connection with the Service. Such taxes, fees and/or surcharges are subject to change without notice to Customer. Charges for ancillary services, including but not limited to, charges for installation and change orders, used by Customer will be imposed at Grande's current rates and such charges are also subject to change without notice to Customer.

5. Payment of Charges: Payment for installation and other non-recurring charges shall be due on the first day of the month following the month in which the Service was provided. Thereafter, payment for monthly recurring charges shall be made in advance of the month for which Service shall be provided, and shall be due before the first day of such month. In the event Customer fails to pay Grande's invoice in full or remit payment to the proper address on or before ten (10) days after the due date, Customer shall also pay a late payment charge of 1.5% per month or the maximum rate permitted by law, whichever is low, on all overdue amounts until Customer's account is current. Should Customer have a billing dispute, Customer must provide notice to Grande in writing within thirty (30) days of the invoice date with a detailed explanation of the disputed invoiced amount, and Customer shall pay the undisputed portion as and when due. If Grande determines that a disputed charge was billed correctly, payment shall be due from Customer with five (5) days after Grande advises Customer that the dispute is denied.

6. Credit Check/Deposit. Customer's credit history is subject to review by Grande. In conformity with Grande's established policies, if Customer's financial condition cannot be verified or is otherwise unacceptable to Grande, Grande may establish certain credit measures including but not limited to setting toll usage limitations and requiring deposits or irrevocable letters of credit as a condition to providing Service. The provisions of this Section 6 are independent of, and in addition to, such other rights and remedies as Grande may have at law or in equity or otherwise for any breach of this Agreement by Customer.

7. Unauthorized Use. Grande does not warrant or guarantee that it can prevent unauthorized use or misuse. Grande shall not be liable for any damages, including charges for service under this Agreement, that Customer may incur as a result of unauthorized use or misuse of the Service by Customer's employees, contractors and agents, other third parties or the public. Customer will remain responsible for all charges.

8. Limited Warranty. GRANDE WILL USE COMMERCIALY REASONABLE EFFORTS TO PROVIDE THE SERVICE SUBSTANTIALLY IN

ACCORDANCE WITH SERVICE DESCRIPTIONS. GRANDE DOES NOT WARRANT THE SERVICE WILL BE PROVIDED WITHOUT INTERRUPTION. IF THE SERVICE DOES NOT FUNCTION SUBSTANTIALLY IN ACCORDANCE WITH SUCH SERVICE DESCRIPTIONS THROUGH NO FAULT OF CUSTOMER OR ITS AGENTS, OR DUE TO SCHEDULED MAINTENANCE, GRANDE WILL REPAIR THE SERVICE AND ANY CREDITS FOR THE AFFECTED SERVICE WILL BE ISSUED IN ACCORDANCE WITH GRANDE'S THEN CURRENT POLICIES. THIS LIMITED WARRANTY IS EXCLUSIVE OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

9. Limitation of Liability. GRANDE WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF BUSINESS, PROFITS, INFORMATION OR OTHER COMMERCIAL OR ECONOMIC LOSS, WHETHER SUCH DAMAGES ARE BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR OTHERWISE) EVEN IF GRANDE HAS BEEN NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. GRANDE'S LIABILITY TO CUSTOMER FOR ANY OTHER DAMAGES DUE TO FAILURES IN THE SERVICE ARISING FROM ITS NEGLIGENCE OR BREACH OF THE AGREEMENT SHALL BE LIMITED TO THE CHARGES FOR THE SERVICE AFFECTED BY THE FAILURE FOR THE PERIOD OF SUCH FAILURE.

10. Default. In addition to any other rights and remedies specified herein, or available to Grande at law or in equity, Grande shall have the following suspension and/or termination rights: (a) Grande may, upon three (3) days' prior written notice, immediately suspend all or any portion of the Service to Customer and/or terminate this Agreement without liability, if any Customer invoice is more than ten (10) business days past due; (b) Grande may, upon seven (7) days' prior written notice, immediately suspend all or any portion of the Service to Customer and/or terminate this Agreement without liability, in the event Customer shall fail to cure any material breach of this Agreement; and (c) Grande may immediately suspend all or any portion of the Service to Customer and/or terminate this Agreement without liability, if Customer files a bankruptcy or reorganization or fails to discharge an involuntary petition within thirty (30) days after such filing, or if Customer otherwise becomes insolvent.

11. Termination: The rates and charges for Service set forth on the applicable Service Request Form are established, in part, in consideration of Customer's agreement to purchase Service for a specified term. After a Service Request Form is accepted by Grande, Customer may cancel all or any portion of the Service prior to the expiration of

the Service Commitment Period (an "Early Termination") by providing Grande with written notice of such Early Termination at least thirty (30) days prior to the effective date thereof. In the event of any Early Termination, or a termination by Grande in accordance with Section 10 herein ("Section 10 Default"), Customer shall remain liable for and pay to Grande, within ten (10) days after the effective date of the Early Termination or the Section 10 Default, and without any right of off-set against pre-paid non-recurring Charges, an amount equal to: (1) all non-recurring Service charges applicable to the cancelled Service remaining unpaid as of the effective date of the Early Termination or the Section 10 Default; plus (2) all accrued and unpaid monthly service charges for the cancelled Service through the effective date of the Early Termination or the Section 10 Default; plus (3) as liquidated damages, a Termination Fee equal to: (a) the remaining balance of all monthly service charges for the cancelled Service for the remainder of the Service Commitment Period if the Service Commitment Period is one (1) year or less; or (b) if the Service Commitment Period is longer than one (1) year, the remaining balance of all monthly service charges for the cancelled Service for the remainder of the first year of the Service Commitment Period, plus an amount equal to twenty percent (20%) of the balance of all monthly service charges for the terminated Service for the remainder of the Service Commitment Period. The parties agree that the Termination Fee is not a penalty, but rather, the parties' best estimate of the actual losses to be incurred by Grande as a result of such Early Termination by Customer or Section 10 Default by Grande, as applicable, the actual losses being difficult or impossible to calculate or ascertain. In the event of an Early Termination or a Section 10 Default, Customer shall not be entitled to any refund of all or any portion of any non-Recurring service charges paid by Customer prior to the effective date of the Early Termination or the Section 10 Default. In the event of any cancellation described in Section 10 or Section 11 herein, Customer shall also pay Grande an amount equal to any termination charges, expenses, fees or penalties incurred by Grande due to cancellation of relevant local access procured and administered by Grande on behalf of Customer plus any other reasonable costs, expenses or additional charges incurred as a result thereof.

#### 12. Restrictions on Service.

(a) Customer use of any Service provided under this Agreement is subject to applicable state and federal laws, rules and regulations. Notwithstanding anything to the contrary contained herein or elsewhere in any agreement between the parties, upon thirty (30) days prior written notice, Grande or Customer shall have the right, without liability, to cancel an affected portion of the Service, if any material rate or term contained herein and relevant to the Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appealed, the Federal

Communications Commission or other local, state or federal government authority, or due to a material change or termination of a relevant third-party contract of Grande affecting the terms and conditions, including, without limitation, pricing, contained herein (e.g., an underlying provider).

(b) Any service utilizing a dynamic integrated access device requires customer supplied power. A power supply failure will interrupt this service, including the ability to access emergency response services such as police, fire and 911

(c) For telephone trunk based services, Grande shall utilize the Billing Telephone Number (BTN), the Customer name, and the Service Address of the telephone product specified on the Service Request Form for 911 and E-911 notification. If Customer desires all assigned outbound numbers to be reported to 911 and E-911, Customer must enter into a separate "PBX Agreement" with the local Public Safety Answering Point ("PSAP") and provide an executed copy to Grande. Within a commercially reasonable time after receipt of such executed copy of such a PBX Agreement, Grande shall enable all assigned outbound numbers to be transmitted for 911 and E-911 connection. Customer shall remain solely responsible for access to emergency response services such as police, fire and 911 for any private distribution of telephone numbers to service locations other than that listed as the BTN Service Address on the Service Request Form.

13. Force Majeure. If Grande's performance of this Agreement or any obligation hereunder is prevented, restricted or interfered with by causes beyond its reasonable control, including but not limited to, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or state or local governments, any instrumentality of any one or more said governments, or of any civil or military authority, or by national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, Grande shall not be liable for any such failure of performance.

#### 14. General Provisions:

(a) Customer accepts the responsibility for providing Grande with any tax or special access surcharge exemption forms as may be required by local exchange telephone companies.

(b) The provision of the Service will not create a partnership or joint venture between the parties or result in a joint service offering to third parties.

(c) This Agreement shall be governed by the laws of the State of Texas, without reference to its principles of conflict of laws. In the event suit is brought or an attorney is retained by Grande to

enforce the terms of this Agreement or to collect any money(s) due hereunder or to collect money damages for breach hereof, Grande shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.

(d) This Agreement shall be binding upon and inure to the benefit of both parties hereto and their respective successors or permitted assigns, provided, however, that Customer shall not assign or transfer its rights or obligations under this Agreement without the prior written consent of Grande, which consent shall not be unreasonably withheld, and further provided that any assignment or transfer without such consent shall entitle Grande to terminate the Service provided hereunder at its options upon ten (10) days prior written notice. Grande may assign this Agreement without consent to any affiliated entity or to any successor in interest whether by merger, reorganization or transfer of all or substantially all of its assets or otherwise.

(e) If any part of any provision of this Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions of this Agreement and Customer and Grande hereby agree to negotiate in good faith with respect to any such invalid or unenforceable part to the extent necessary to render such part valid and enforceable. Either Party's failure to enforce any of the provisions of this Agreement or to exercise any right or option is not a waiver of any such provision, right or option, and shall not affect the validity of the Agreement. Any waiver must be written and signed by the Parties.

(f) Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed given when delivered by hand or three (3) days after being deposited in the United States mail, registered or certified mail, return receipt requested, postage prepaid, and addressed to the applicable "Business Address" shown below. Either party hereto may change its address for notification purposes by giving the other party prior written notice as aforesaid specifying the new address and the date upon which it shall become effective.

(g) The Parties hereto hereby knowingly, irrevocably, voluntarily and intentionally waive any rights to a trial by jury in respect of any action, proceeding or counterclaim based on this Agreement or arising out of, under, or in connection with this Agreement or any document or instrument executed in connection with this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or action of any Party hereto.

(h) This Agreement may be executed simultaneously in any number of counterparts, each of which counterparts will be deemed to be an original, and such counterparts will constitute but one and the same instrument.

(i) Neither Party will disclose the terms of this Agreement to any other person without the prior written consent of the other Party, except as may be necessary to comply with applicable laws and regulations.

(j) This Agreement, including the relevant Schedules and Supplements thereto represents the entire understanding between the Parties in relation to the matters herein and supersedes all previous agreements whether oral or written made between the Parties in relation to the subject matter hereof. Except as otherwise agreed herein, this Agreement may only be modified by a writing signed by authorized representatives of both Parties. The headings in this Agreement are for convenience of reference and shall not affect its construction or interpretation.

(k) The covenants and agreements contained in this Agreement with respect to payment of amounts due, confidentiality, liability, and indemnification shall survive termination of this Agreement, regardless of the reason for termination. The rights and obligations under this Agreement shall survive any merger or sale of either party and shall be binding upon the successors and permitted assigns of each party.

(l) Each signatory to this Agreement does hereby represent and warrant that he has the authority to execute this Agreement on behalf of the party to this Agreement for whom he is executing this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth by signature of the accepted Service Request Form attached hereto and incorporated herein (collectively, the "Contract").

GRANDE COMMUNICATIONS NETWORKS LLC

Business Address:

401 Carlson Circle

San Marcos, TX 78666

ATTN: Legal Department

Telephone Number: (512) 878-4000