



February 5, 2013

Prepared for Tom Taggart, Director of Business and Operations

Lakeland Joint School District #272 | 15506 N Washington St Rathdrum, ID 83858

EV-ID272-020513-1

470 APPLICATION NUMBER 214910001090632

SPIN 143008534



## Summary of Services and Charges

Ednetics Voice is a fully managed cloud based service, built on the award winning Cisco Unified Communications platform. It provides full enterprise features with lower initial capital expenditure and a lower total cost of ownership when compared to a traditional on-premise system. Designed specifically for the education community, Ednetics Voice is delivered over a private high performance network offering unparalleled performance and reliability.

Ednetics Voice includes Enhanced 911<sup>1</sup> services to ensure that emergency personnel will be dispatched to the correct location should the need arise. Service includes end-to-end monitoring by highly trained and certified Ednetics support desk personnel. Ednetics Voice also includes all of the back end maintenance as well as day-to-day operational changes. Pricing is based on a fixed rate per user and includes all support and maintenance. Your monthly statement will be presented in a short user-friendly format so you can find what you need at a glance.

### Ednetics Voice™ 5 YEAR

#### One Time Installation Charges

462 Standard Users @ \$100 each	\$	46,200.00
Contract Discount	\$	(46,200.00)
Applicable Taxes Federal, State, County, and Local*	\$	0.00
<b>Total Installation Charges</b>	<b>\$</b>	<b>0.00</b>

#### Monthly Charges

462 Standard Users @ \$30 each	\$	13,860.00
13 Analog / Fax Users @ \$25 each	\$	325.00
0 POTS Lines @ \$25 each	\$	0.00
Phone Handsets See Addendum for Detail	\$	1,006.43
Network Access Charge	\$	0.00
User Migration Discount	\$	0.00
Contract Discount	\$	(3,000.00)
Applicable Taxes Federal, State, County, and Local*	\$	80.08
<b>Total Monthly Charges</b>	<b>\$</b>	<b>12,271.51</b>

\*Taxes are estimated based on current rates and are subject to change

### Costs with Estimated 76% E-Rate Discount

#### Eligible Charges

Installation Charges	\$	0.00
Monthly Charges	\$	11,265.08

#### Ineligible Charges

Installation Charges	\$	0.00
Monthly Charges	\$	0.00
Phone Handsets	\$	1,006.43

<b>Total Installation Charges</b>	<b>\$</b>	<b>0.00</b>
<b>Total Monthly Charges</b>	<b>\$</b>	<b>3,710.05</b>

After E-rate Discount

<sup>1</sup> E911 services subject to local availability



## Phone Handset Detail

MODEL	FEATURES	RECOMMENDED FOR	PRICE	PRICE PER MONTH
 Cisco 6921	Two-line phone 10/100 switch port Backlit monochrome display High-definition audio codec Full-duplex speakerphone	Classrooms and office staff	\$ 105.75	\$ 1.76
 Cisco 6945	Four-line phone 10/100/1000 switch port Backlit monochrome display High-definition audio codec Full-duplex speakerphone	Office staff	\$ 173.25	\$ 2.89
 Cisco 6961	Twelve-line phone 10/100 switch port Backlit monochrome display High-definition audio codec Full-duplex speakerphone	Office staff and administrators with very active communications needs	\$ 132.75	\$ 2.21
 Cisco 8941	Four-line phone Large 5-inch VGA color display 10/100 switch port Full-duplex speakerphone High-definition audio codec Video Support	Office staff and administrators	\$ 191.25	\$ 3.19
 Cisco 8945	Four-line phone Large 5-inch VGA color display 10/100/1000 switch port Full-duplex speakerphone High-definition audio codec Support for Bluetooth 2.0 Video Support	Office staff and administrators	\$ 236.25	\$ 3.94
 Cisco 8961	Five-line phone Large 5-inch VGA color display 10/100/1000 switch port Full-duplex speakerphone High-definition audio codec	Office staff and administrators	\$ 270.00	\$ 4.50

<p><b>Cisco 9971</b></p> 	<p>Six-line phone Large 5-inch VGA color display 10/100/1000 switch port Full-duplex speakerphone High-definition audio codec Support for Bluetooth 2.0 Video Support</p>	<p>Office staff and administrators</p>	<p>\$ 436.50</p>	<p>\$ 7.28</p>
<p><b>Cisco IP Conference Station 7937G</b></p> 	<p>Wideband audio acoustics Covers up to 30 by 40 feet with optional external microphone kit Support for Power Over Ethernet (PoE)</p>	<p>Desktops, conference rooms, administrative offices</p>	<p>\$ 627.75</p>	<p>\$ 10.46</p>
<p><b>Cisco Color Key Expansion Module</b></p> 	<p>Extends the capabilities of the Cisco Unified IP Phone 9971 and 8961 models with additional buttons and a color LCD display</p>	<p>Office staff and administrators with very active communications needs</p>	<p>\$ 211.50</p>	<p>\$ 3.53</p>
<p><b>Cisco Unified Video Camera</b></p> 	<p>Appears on the back end of the phone display Supports H.264 video for two-way standard-definition calling</p>	<p>.</p>	<p>\$ 108.00</p>	<p>\$ 1.80</p>
<p><b>Cisco Unified Endpoint Power Cube</b></p> 	<p>Power adapter for Cisco Unified IP Phone 8961 and 9971</p>	<p>.</p>	<p>\$ 33.75</p>	<p>\$ 0.56</p>



## Phone Handset Detail

### Ednetics Voice™ Phone Handsets | Purchase Outright

Ednetics Voice™ Phone Handsets	QTY	PRICE	TOTAL
Cisco Unified IP Phone - 6921	422	\$ 105.75	\$ 44,626.50
Cisco Unified IP Phone - 6945	0	\$ 173.25	\$ -
Cisco Unified IP Phone - 6961	0	\$ 132.75	\$ -
Cisco Unified IP Phone - 8941	28	\$ 191.25	\$ 5,355.00
Cisco Unified IP Phone - 8945	0	\$ 236.25	\$ -
Cisco Unified IP Phone - 8961	12	\$ 270.00	\$ 3,240.00
Cisco Unified IP Phone - 9971	0	\$ 436.50	\$ -
Cisco Conference Station - 7937G	4	\$ 627.75	\$ 2,511.00
Cisco Color Key Expansion Module	22	\$ 211.50	\$ 4,653.00
Cisco Unified Video Camera	0	\$ 108.00	\$ -
Cisco Unified IP Endpoint Power Cube	0	\$ 33.75	\$ -
Ednetics Voice™ Phone Handsets Total			\$ 60,385.50
Sales Tax			\$ 0.00
<b>Total Purchase Price</b>			<b>\$ 60,385.50</b>

### Ednetics Voice™ Phone Handsets | Monthly Payment (5-YEAR)

Ednetics Voice™ Phone Handsets	QTY	PRICE	TOTAL
Cisco Unified IP Phone - 6921	422	\$ 1.76	\$ 743.78
Cisco Unified IP Phone - 6945	0	\$ 2.89	\$ -
Cisco Unified IP Phone - 6961	0	\$ 2.21	\$ -
Cisco Unified IP Phone - 8941	28	\$ 3.19	\$ 89.25
Cisco Unified IP Phone - 8945	0	\$ 3.94	\$ -
Cisco Unified IP Phone - 8961	12	\$ 4.50	\$ 54.00
Cisco Unified IP Phone - 9971	0	\$ 7.28	\$ -
Cisco Conference Station - 7937G	4	\$ 10.46	\$ 41.85
Cisco Color Key Expansion Module	22	\$ 3.53	\$ 77.55
Cisco Unified Video Camera	0	\$ 1.80	\$ -
Cisco Unified IP Endpoint Power Cube	0	\$ 0.56	\$ -
Ednetics Voice™ Phone Handsets Total			\$ 1,006.43
Sales Tax			\$ 0.00
<b>Total Monthly Charge</b>			<b>\$ 1,006.43</b>



## Total Cost of Ownership

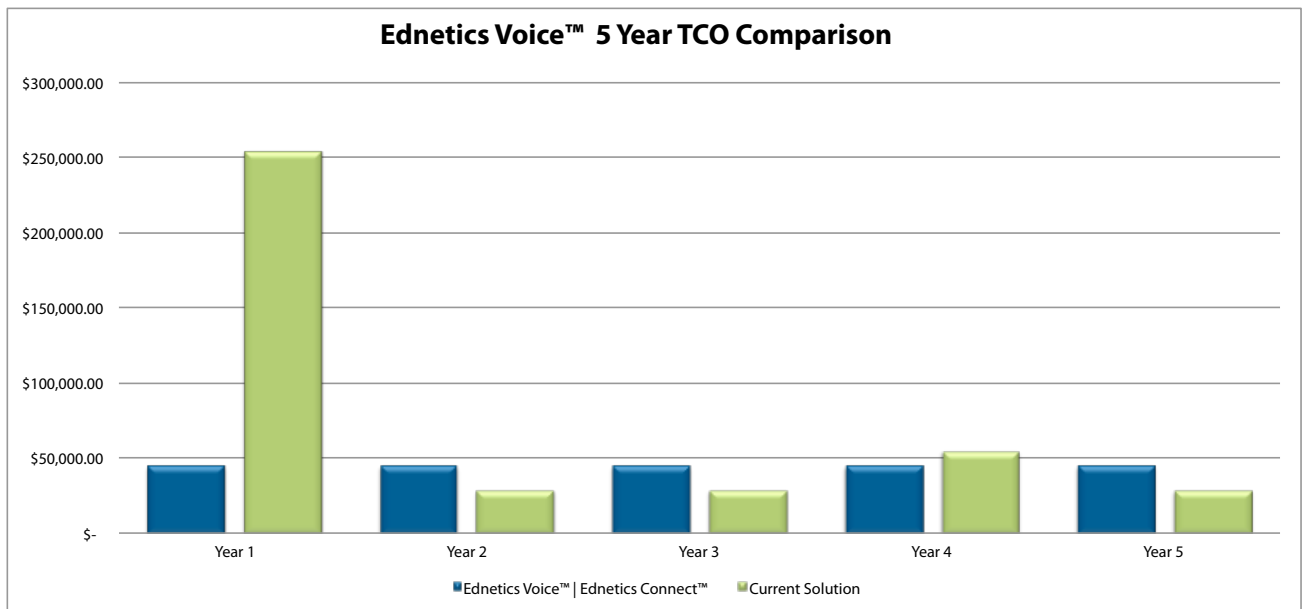
### Ednetics Voice™ | Ednetics Connect™ TCO

All Costs are Estimated

Number of users 462  
 Number of new handsets 462  
 District E-rate Discount 76%

Current Solution	5 YEAR CONTRACT					Total Cost
	Year 1	Year 2	Year 3	Year 4	Year 5	
Initial Cost of System	\$ 225,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 225,000.00
PSTN and LD (after E-rate)	\$ 7,920.00	\$ 7,920.00	\$ 7,920.00	\$ 7,920.00	\$ 7,920.00	\$ 39,600.00
Maintenance (after E-rate)	\$ 8,600.00	\$ 8,600.00	\$ 8,600.00	\$ 8,600.00	\$ 8,600.00	\$ 43,000.00
Support (after E-rate)	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 7,600.00	\$ 38,000.00
System Upgrades	\$ 0.00	\$ 0.00	\$ 0.00	\$ 26,000.00	\$ 0.00	\$ 26,000.00
FTE	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 4,600.00	\$ 23,000.00
Current Internet Charges	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total 5 Year Cost</b>	<b>\$ 253,720.00</b>	<b>\$ 28,720.00</b>	<b>\$ 28,720.00</b>	<b>\$ 54,720.00</b>	<b>\$ 28,720.00</b>	<b>\$ 394,600.00</b>

Ednetics Voice™   Ednetics Connect™	5 YEAR CONTRACT					Total Cost
	Year 1	Year 2	Year 3	Year 4	Year 5	
Handset Costs	\$ 12,077.10	\$ 12,077.10	\$ 12,077.10	\$ 12,077.10	\$ 12,077.10	\$ 60,385.50
Ednetics Voice™ (after E-rate discount)	\$ 32,443.44	\$ 32,443.44	\$ 32,443.44	\$ 32,443.44	\$ 32,443.44	\$ 162,217.21
Ednetics Connect™ (after E-rate discount)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total 5 Year Cost</b>	<b>\$ 44,520.54</b>	<b>\$ 44,520.54</b>	<b>\$ 44,520.54</b>	<b>\$ 44,520.54</b>	<b>\$ 44,520.54</b>	<b>\$ 222,602.71</b>





## APPENDIX I TERMS AND CONDITIONS

- Exhibit A **Usage Pricing**
- Exhibit B **911 Disclosure Statement**
- Exhibit C **Acceptable Use Policy**

# APPENDIX I | TERMS AND CONDITIONS

## Ednetics Voice™

### Terms and Conditions for Ednetics Voice™

These Terms and Conditions ("Agreement") are between Ednetics and the entity identified as the customer ("Customer"), each referred to as a "Party" and collectively referred to as the "Parties." This Agreement consists of the Sales Order(s) and any forms or authorizations attached hereto and/or incorporated herein by reference and these Terms and Conditions. The Parties agree to be bound by this Agreement and affirm that each have caused this Agreement to be executed by their respective duly authorized representatives on the dates written below their names.

- 1. Service(s).** For purposes of this Agreement, "Service(s)" shall mean Ednetics Voice™ and the use of Ednetics' equipment and services integral to performance and/or delivery of the Service(s) under this Agreement. Service(s) shall also refer to the Ednetics provided demarcation point between Customer's local area network ("LAN") and Ednetics wide area network ("WAN"). Specifically, the demarcation point is represented by a router and provides a physical demarcation ("Demarc") between Customer's LAN and Ednetics WAN. Ednetics is responsible for network on the WAN side of the Demarc and Customer is responsible for network on the LAN side of the Demarc.
- 2. Ednetics Voice™.** Ednetics Voice is an enhanced voice telecommunications service, which uses an Internet Protocol ("IP") infrastructure to deliver voice communications and IP products. Ednetics Voice includes local dial-tone, local and long distance, international calling, access to directory assistance and operator services as well as Ednetics' equipment and services integral to performance or delivery of Service under this Agreement. Ednetics Voice is a full-featured Voice over Internet Protocol (VoIP) Service and may be a stand-alone or hosted managed Service. Ednetics will provide Service(s) as referenced on the Sales Order(s) in accordance with the terms of this Agreement.
  - 2.1 Handsets.** If ordered from Ednetics, the initial handsets are included with an Ednetics Voice™ Agreement on a zero percent (0%) lease with the cost of the handsets prorated over the term of the Agreement. Customer shall own the handsets upon full completion (including payment) of the Agreement Service Term. The purchase of additional handsets is considered an Upgrade pursuant to Section 18 and as such, the handset purchase will be prorated over the remaining Service Term unless other arrangements are made. .
  - 2.2 Toll-Free Service.** Customer is responsible for all charges for toll free Service(s) provided by Ednetics. Ednetics assumes no liability where any claim arises out of Customer being provided with any toll-free number(s) other than the toll-free numbers(s) requested by Customer. Ednetics shall have no liability whatsoever for the use, misuse or abuse of Customer's toll-free Service by third parties, including without limitation, Customer's employees or any member(s) of the public who dial the Customer's toll-free number(s) by mistake. See Exhibit A Usage Pricing attached hereto and made a part of this Agreement by reference.
  - 2.3 Long Distance Service(s).** Customer is responsible for all local and long distance Service(s) used with and without their knowledge. Where available, Ednetics provides long distance Service(s) at no charge within the contiguous U.S. 48 states and Canada, but excludes International calls and calls to Alaska and Hawaii. Calls not covered will be billed to you at the rate shown in Exhibit A.
  - 2.4 Interruption of Service(s) Credit.** In the event there is any defect, error, omission, delay, mistake, interruption, suspension, or other failure in connection with furnishing Service(s) or maintenance of Service(s) and the same is reported to and confirmed by Ednetics (an "Interruption"), the liability, if any, of Ednetics shall in no event exceed an amount equivalent to the proportionate charge to Customer for the affected Service for the time period during which the interruption occurred (the "Interruption Credit"). Ednetics shall not be liable nor shall any Interruption Credit be given to Customer, for any Interruption which is: (1) caused by the willfulness or negligence of Customer, a third-party or any other entity other than Ednetics; (2) due to failure of equipment and systems provided by Customer or any other entity; (3) due to a force majeure event as set forth in Section 24 below; or (4) during periods when Customer elects to use Service(s) on an impaired basis. Customer hereby acknowledges and agrees that its sole and exclusive remedy for an Interruption shall be an Interruption Credit as follows:

1 - 4 Hours                      25% of the daily recurring cost

4 - 8 Hours                      75% of the daily recurring cost



8 – 24 Hours 100% of the daily recurring cost

Over 24 Hours 100 % of the daily recurring cost for each 8 hour period over 24 hours.

- 2.5 Letter of Authorization.** Customer will be required to execute a Letter of Authorization ("LOA") in order for Ednetics to act as an authorized agent for ordering, porting numbers, and coordination of local and long distance access circuits that may be needed. The LOA, when executed, shall be incorporated into this Agreement by reference.
- 2.6 911 Disclosure Statement.** Customer is required to execute the 911 Disclosure Statement contemporaneously with the first Sales Order. The 911 Disclosure Statement is attached hereto as Exhibit B and made a part of this Agreement by reference.

## General Terms and Conditions

- 3. Obligations of the Customer.** The customer agrees to provide all information, access, and support for timely installation and proper use of Service(s) and to comply with all of the terms and conditions of this Agreement. Customer also agrees that Customer's use of Service(s) will at all times be consistent with the terms outlined in Ednetics' Acceptable Use Policy ("AUP") and will not be used in an unlawful manner, and will be used in such a manner as to prevent damage to Ednetics' network and equipment. Ednetics' AUP is attached hereto as Exhibit C and is made a part of this agreement by reference. Updates to Ednetics' AUP will be made on the web site [www.ednetics.com](http://www.ednetics.com) and will apply to all Service(s).
- 4. Customer Representations.** Customer warrants that they have the legal right and ability to enter into this Agreement and are authorized to act on behalf the school, library, or state/local government entity. Customer represents and warrants that Customer name, contact information and registered location(s) for 911 are true and correct. Customer acknowledges and agrees that Ednetics relies on the information supplied by Customer and that providing false or incorrect information may result in delays in the provision and delivery of Service(s), the suspension or termination of Service(s) and the inability of a 911-dialed call to be correctly routed to emergency service personnel as further described in the 911 Disclosure Statement in Exhibit B. Customer agrees to promptly notify Ednetics whenever personal or billing information changes, including, but not limited to, Customer's name, address, e-mail address, telephone number, and credit card information if appropriate.
- 5. Term Commitment.** For each Service, the term commitment of the Service will begin the date Service is first installed and made available to Customer unless Customer advises Ednetics in writing that Service is in material non-compliance with the specifications contained in the Sales Order, in which case the term commitment for that Service will not commence until such time as Ednetics and Customer mutually agree that the issues with Service have been resolved, and will continue for the number of months/years set forth in the applicable Sales Order ("Initial Service Term").
- 6. Fees and Charges.** Customer shall pay for all Service(s) Ednetics supplies to Customer. Sales Order(s) specify the fees Customer will pay for Service(s) during the Service Term. The fees on the invoice are categorized as (1) "Monthly Recurring Charges" or "Recurring Charges," (2) "Non-Recurring Charges" or "One-Time Charges", and (3) "Usage Charges." Monthly Recurring Charges will be billed monthly in advance and Non-Recurring Charges shall be billed as they occur. Usage Charges will be billed based on Customer's actual usage which could include per minute fees for long distance or per call fees as reflected in Attachment B and incorporated herein by reference. Ednetics will bill Customer and Customer will be responsible for other legally applicable charges, including, but not limited to, federal and state universal service fund (USF), federal and state telecommunications relay service (TRS), state and county E911 surcharges, state and local sales taxes, and local utility taxes and any other applicable federal, state, county, or local taxes and fees. Customer's invoice will reflect all taxes and fees.
- 7. Payment.** Ednetics will provide Customer monthly invoices which will be due and payable thirty (30) days from the invoice date (the "Due Date"). For the purposes of billing and adjustments, Ednetics assumes there are thirty (30) days in a month. All Monthly Recurring Charges are billed one (1) month in advance and Usage Charges are billed in arrears. The initial invoice may also contain charges for Service(s) installed prior to the bill date. These charges will be prorated if applicable. A late payment fee may be applied on balances remaining unpaid thirty (30) days following the date of the invoice in the amount of one and one-half percent (1½%) per month of the amount of the unpaid balance from the date of invoice. Subject to any applicable state or federal regulations, in the event Customer has an outstanding balance of fees due and owing under this Agreement, Ednetics shall not be obligated to transfer transportable, toll-free, local or other numbers to another carrier. In addition to the remedies contained in this Agreement, Ednetics reserves its right in law and equity, including, but not limited to, its rights under the Uniform Commercial Code.

- 8. Taxes.** Customer hereby acknowledges and agrees that all pricing for Service(s) and other charges due hereunder, including value added tax, sales taxes, duties, fees, levies or surcharges (including where applicable Universal Service Fund or similar surcharges) imposed by, or pursuant to the laws, statutes or regulation of any governmental agency or authority, are the sole responsibility of Customer and shall be paid promptly when due by Customer and Customer agrees to indemnify and hold Ednetics harmless from any liability therefor. Except as set forth herein, all amounts payable by Customer under this Agreement shall be made without any deduction or withholding and, except to the extent required by any law or regulation, free and clear of any deduction or withholding on account of any tax, duty or other charges of whatever nature imposed by any taxing or governmental authority. If Customer is required by any law or regulation to make any such deduction or withholding, Customer shall, together with the relevant payment, pay such additional amount as will ensure that Ednetics actually received and is entitled to retain, free and clear of any such deduction or withholding, the full amount which it would have received if no such deduction or withholding had been required. Notwithstanding the foregoing, a monthly Universal Service Fund charge shall be added to each invoice for Service(s) based upon the applicable total billed revenues, the amount of which shall be based upon the Federal Communications Commission assessment.
- 9. E-Rate.** Ednetics' Services contract, including this Agreement, begins upon the later of (a) its execution by both Ednetics and Customer; and, (b) Customer's E-rate funding approval or Customer approval to proceed with service. Customer understands and agrees that one-time installation charges and monthly recurring charges are Customer's firm contractual obligation for the duration of this contract after customer receives E-rate funding or has given Ednetics a notice to proceed with service.
- 10. Unauthorized Use of the Service(s).** Customer accepts full responsibility for the charges and fees invoiced for Ednetics' provision of all Service(s) to Customer, including, but not limited to, outbound and toll free Service(s), regardless of whether Customer authorized the use of the Service(s). Customer shall indemnify and hold Ednetics harmless from any and all costs, expenses, damages, claims or actions arising from any fraudulent or unauthorized use of Service(s). Customer shall not be excused from paying Ednetics for Service(s) provided to Customer or any portion thereof on the basis that fraudulent use of Service(s) comprised a corresponding portion of the Service(s) for which charges and fees are invoiced. In the event Ednetics discovers or reasonably believes that Service(s) are being used fraudulently, nothing contained herein shall prohibit Ednetics from taking immediate and all reasonable actions necessary to prevent the fraudulent use of the Service(s).
- 11. BACK-UP POWER.** CUSTOMER ACKNOWLEDGES AND AGREES THAT, IF ACCESS TO AND USE OF SERVICE(S) (INCLUDING, BUT NOT LIMITED TO, EMERGENCY 911 SERVICE) IS DESIRED OR REQUIRED DURING A POWER OUTAGE, CUSTOMER IS SOLELY RESPONSIBLE TO PROVIDE APPROPRIATE BACK-UP POWER TO ANY EQUIPMENT LOCATED ON CUSTOMER'S PREMISES TO THE EXTENT SUCH EQUIPMENT MAY BE USED TO ACCESS AND USE OR IS OTHERWISE RELATED TO THE USE OF SERVICE(S). EDNETICS SHALL NOT BE RESPONSIBLE OR LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR THE UNAVAILABILITY OF SERVICE(S) DURING A POWER OUTAGE AS A RESULT OF CUSTOMER'S FAILURE TO PROVIDE NECESSARY BACK-UP OR SECONDARY POWER FACILITIES FOR USE OF SERVICE(S). PLEASE SEE EXHIBIT B FOR EDNETICS' FULL 911 DISCLOSURE STATEMENT.
- 12. Termination by Ednetics.** In the event Customer is in breach of any terms of this Agreement, Ednetics may provide written notice to Customer of such a breach, upon receipt of which Customer shall, (i) have ten (10) days to cure such a breach if the breach is due to Customer's non-payment of all undisputed charges by the Due Date or (ii) have thirty (30) days to cure all other breaches of this Agreement. If such breach is not cured by Customer to Ednetics' satisfaction, in its sole discretion, within the applicable cure period set forth above, Ednetics may terminate this Agreement (in whole or in part, including Sales Order(s)) and discontinue its provision of Service(s) under this Agreement effective immediately. Notwithstanding the foregoing, in the event Customer's use of Service(s) violates the Ednetics' AUP, Ednetics may suspend the provision of Service(s) to the Customer or terminate this Agreement (in whole or in part, including Sales Order(s)) effective immediately.
- 13. Termination by Either Party.** Either Party shall have the right to terminate Service(s) without liability, including early buy out fees, (i) if Ednetics is prohibited from furnishing Service(s) under this Agreement, (ii) if any material rate or term contained herein is substantially changed by order of the highest court of any competent jurisdiction to which the matter is appealed, the Federal Communications Commission, or other local, state, or federal government authority or (iii) upon expiration of the Service Term.
- 14. Early Termination.** If Service(s) are terminated by Customer or by Ednetics following an uncured default by Customer prior to the end of the Service Term, then commencing on the effective date of such termination, Customer will be subject to early termination fees equal to fifty percent (50%) of the remaining value of the Agreement ("Early Termination Fees"). Customer and Ednetics acknowledge and agree that (i) the Early Termination Fees are a fair and reasonable estimate of damages that would occur in the event that the Agreement is terminated prior to the end of the Service Term; (ii) actual damages incurred by Ednetics as a

result of the early termination of the Agreement would be difficult to determine; (iii) and the provisions regarding the Early Termination Fees in this paragraph are reasonable and appropriate measures of the damages for such early termination and not a penalty. Customer agrees to pay all such Early Termination Fees within 30 days of Customer's notice of termination of Service(s) immediately upon receipt of Ednetics' last invoice to Customer ("Final Invoice"). All requests to terminate Service(s) must be received, in writing to Ednetics, thirty (30) days prior to the termination effective date. A minimum of thirty (30) days will always be billed to Customer from the date that the termination notice is submitted.

- 15. Term Renewal.** Upon expiration of the Service Term and as long as Customer is not in default of the terms of this Agreement, the Service(s) will automatically renew under the same terms and conditions and for the same term as the expiring Service Term, unless Customer notifies Ednetics in writing at least thirty (30) days prior to the expiration of the Service Term proposing an alternate term. Customer may extend the term at any time prior to the term expiration for up to one (1) additional five (5) year term upon notification to Ednetics in writing at least thirty (30) days prior to the expiration of the Service Term.
- 16. Bill Disputes.** Customer's billing disputes or requests for adjustment, together with all supporting documentation, must be made in good faith, and must be received in writing by Ednetics within thirty (30) days from the date of the invoice, or Customer's right to raise such billing disputes is waived. Customer shall otherwise timely pay any undisputed amount. If Ednetics determines that a disputed charge was billed in error, Ednetics will issue a credit to reverse the amount incorrectly billed. If Ednetics determines the disputed amount was billed correctly, Ednetics will inform Customer of such determination and provide Customer with proof of correct billing. If Customer does not accept such proof as definitive, the dispute will be escalated for an officer review/resolution with Ednetics and Customer in accordance with this Agreement. In the event that the escalated dispute is resolved against Customer, or in the event Customer accepts the foregoing proof as definitive (or if Customer fails to notify Ednetics within thirty (30) days that Customer does not accept proof as definitive), Customer shall pay the previously disputed amount within ten (10) days thereafter.
- 17. Resolution of Disputes.** Except as otherwise provided herein, any dispute, controversy or claim (individually and collectively referred to hereinafter as a "Dispute") arising under this Agreement shall be resolved in accordance with the procedures set forth herein. In the event of a Dispute, and upon the written request of either Party, each of the Parties shall appoint, within five (5) business days after a Party's receipt of such request, a designated representative who has authority to settle the Dispute and who is at the higher level of management than the persons with the direct responsibility for administration of the Agreement. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the Dispute and negotiate in good faith in an effort to resolve such Dispute. The specific format for such discussions will be left to the discretion of the designated representatives; however, all reasonable requests for relevant information made by one Party to the other shall be honored. If the Parties are unable to resolve issues related to the Dispute within thirty (30) days after a Party's request is made for appointment of designated representatives as set forth above, either Party may seek any relief to which it is entitled, whether at law or in equity.
- 18. Upgrades and Downgrades.** An "Upgrade" is defined as a change to Customer's existing Service(s), agreed to by Ednetics that will result in an increase in Customer's Monthly Recurring Charges and/or Non-Recurring Charges. Customer will be required to purchase the Upgrade for a term commitment that extends to the end of Customer's existing Term or the Customer may extend their term pursuant to Sections 15 and 2.1. A "Downgrade" is defined as a change to Customer's existing Service(s) or partial disconnect, agreed to by Ednetics that will result in a decrease in Customer's Monthly Recurring Charges. If Customer Downgrades the Service(s) before the end of the Term, and the Downgrade results in more than a fifteen percent (15%) decrease in the Monthly Recurring Charges on the Service(s) for which a Downgrade occurred, Ednetics, in its sole discretion, may charge Customer Early Termination Fees. Customer shall provide Ednetics with thirty (30) days prior written notice for all Downgrades. Any Downgrade of Service(s) must have a Term that extends at least to the end of the Customer's existing Term.
- 19. Ednetics Owned Customer Premises Equipment.** Any Equipment installed by Ednetics to perform or deliver Service(s) under this Agreement, which was not purchased by the Customer, is the sole property of Ednetics and is referred to as "Ednetics CPE" or "CPE." Ednetics has the right to access, maintain, remove, replace or take any other action in connection with the CPE at any time for any reason. At all times, Customer shall: (1) refrain from physically tampering with or modifying CPE, or authorizing another to do so; and (2) provide Ednetics with reasonable, sufficient, and necessary access to Customer's facilities in order for Ednetics to fulfill its obligations under this Agreement. Customer shall provide Ednetics reasonable and necessary access to Ednetics CPE at all reasonable times in the event Ednetics needs to retrieve the CPE during, or upon the expiration or termination of the applicable Service Term. Customer also agrees to cooperate with Ednetics in all communications with the landlord at the Customer's premises if requested by Ednetics even after the expiration or termination of the applicable Service Term so that Ednetics may

retrieve physical possession of the CPE. Customer shall be responsible for any and all damages to the CPE caused by Customer or its end-users. Ednetics will not be responsible for any interference or interruption in Service(s) that are related to or caused by CPE. Customer is responsible for the initial and ongoing configuration of any equipment provided by Customer. If any equipment provided by Customer is not compatible or may not be used with the Service(s), and Customer terminates this Agreement or Service(s) as a result, Customer will be responsible for all Non-Recurring Charges for Service(s) that are noted on the Sales Order(s), as well as any third-party costs Ednetics may have incurred.

- 20. Limitation of Liability.** Ednetics shall not be liable or responsible for any of the following: (1) the content of the information passing over Ednetics' network; (2) the Internet or any information contained thereon; (3) unauthorized access to Customer transmission facilities or to Customer owned equipment; (4) unauthorized access or damage to, alteration, theft, destruction or loss of customer records or data; (5) claims for damages caused by Customer through fault, negligence or failure to perform Customer's responsibilities; (6) claims against Customer by any other party; (7) any act or omission of any other party furnishing services to Customer, or the installation and/or removal of any and all equipment supplies by any other services provider; or (8) incorrect publication of listings or advertisements of phone numbers. Notwithstanding the foregoing, the liability of Ednetics, if any, for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the Service(s) or equipment provided by Ednetics, if any, or for breach or warranties set forth in this Agreement, shall in no event exceed the Monthly Recurring Charges for Service(s) that are the subject of the claim. IF ANY LIABILITY IS IMPOSED ON EDNETICS, SUCH LIABILITY SHALL BE LIMITED AS PROVIDED IN THIS AGREEMENT, WHICH SHALL BE EDNETICS' SOLE AND EXCLUSIVE LIABILITY REGARDLESS OF WHETHER LOSS OR DAMAGE IS CAUSED BY PERFORMANCE, NON-PERFORMANCE, OR NEGLIGENCE OF EDNETICS UNDER THIS AGREEMENT. EDNETICS SHALL HAVE NO LIABILITY TO CUSTOMER OR ANY THIRD-PARTY FOR OR WITH RESPECT TO ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE OR FOR THE LOSS OF REVENUE, LOST PROFITS, LOSS OF BUSINESS, LOSS OF PROSPECTIVE OR POTENTIAL BUSINESS OR ECONOMIC LOSS OF ANY KIND FOR ANY REASON WHATSOEVER, REGARDLESS OF WHETHER EDNETICS IS INFORMED OF THEIR POSSIBILITY.
- 21. Liability of Customer.** In the event any claim, demand, lawsuit or liability is made or asserted against Ednetics or any of the officers of Ednetics by any third-party and the same arises out of, or is directly or indirectly related to, or is caused by any act or omission of Customer, then, and in such event, Customer shall indemnify, defend and hold harmless Ednetics and its officers, agents and representatives of and from any and all such claims, demands, causes of actions and liability, including the payment of reasonable attorneys' fees to defend such action. Additionally, Customer shall reimburse Ednetics for damage to Ednetics' Communications facilities including those due to any malfunction of any facilities or equipment provided by an entity other than Ednetics.
- 22. Warranties.** EDNETICS DOES NOT WARRANT UNINTERRUPTED OPERATION OF THE SERVICE(S) AND SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES NOT MADE IN THIS AGREEMENT, EITHER EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF TITLE, MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. EDNETICS DOES NOT WARRANT AND DOES NOT ASSUME ANY LIABILITY FOR ANY CONSEQUENCES SUFFERED BY ANY PERSON AS A RESULT OF OBTAINING INTERNET ACCESS INCLUDING, WITHOUT LIMITATION, DAMAGES ARISING FROM INTERNET CONTENT OR FROM COMPUTER VIRUSES.
- 23. Transfer and Assignment.** Customer may not sell, assign or transfer any of Customers rights or obligations under this Agreement without Ednetics' prior written consent. Ednetics may assign this Agreement upon notice to customer.
- 24. Force Majeure.** Any delay, interruption, or nonperformance of any provision of this Agreement on the part of Ednetics caused by conditions beyond Ednetics reasonable control shall not constitute a breach of the Agreement, and the time for performance of such provision shall be deemed to extend for a period equal to the duration of the conditions preventing performance. Such examples include, but are not limited to, acts of God, acts of civil or military authority, terrorist acts, riots, insurrections, epidemics, power blackouts, fire, explosion, vandalism, cable cut, adverse weather conditions, earthquakes, nuclear accidents, floods, governmental action, moratoriums or injunctions related to the construction and shortage of labor and materials (collectively a Force Majeure Event).
- 25. Notices.** All notices, requests, demands or other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of delivery if personally delivered by hand, (ii) upon the third day after such notice is (a) deposited in the United States mail, if mailed by registered or certified mail, postage prepaid, return receipt requested, or (b) upon the first business day following deposit if sent by overnight delivery by a nationally recognized overnight express courier, or (iii) by facsimile upon written confirmation (other than the automatic confirmation that is received from the recipient's facsimile machine) of receipt by the recipient of such notice.

Notices to Ednetics:

With a copy to:

If to Customer:

Ednetics, Inc.  
Attn: Susan Lamb  
971 S. Clearwater Loop  
Post Falls, Idaho 83854

Ednetics, Inc.  
Attn: Jenny George  
971 S. Clearwater Loop  
Post Falls, Idaho 83854

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

T (208) 619-2679  
F (208) 619-4161

T (208) 777-4709  
F (208) 777-4708

- 26. Governing Law and Venue.** This Agreement shall be construed and governed in accordance with the laws of the state of Washington and venue for any actions arising under this Agreement shall be in the courts of county jurisdiction or the state of Washington, as appropriate.
- 27. Non-Disclosure and Publicity.** Customer shall not disclose to any third party the terms and conditions of this Agreement without the prior written consent of Ednetics.
- 28. Entire Agreement.** This Agreement is the complete agreement between the Parties, concerning any telecommunications and/or Internet Service(s) provided by Ednetics hereunder, and replaces any prior oral or written communications between the Parties. Except for prior obligations of confidentiality and/or nondisclosure, there are no conditions, understandings, agreements, representations, or warranties, expressed or implied, which are not specified in this Agreement.
- 29. Addition/Modification.** Except as set forth in this Agreement, this Agreement may only be modified, amended or waived through a writing signed by an authorized employee of each Party.
- 30. Severability.** In the event that any of the terms of this Agreement or the applications of any such term shall be invalid by any court of any competent jurisdiction, the remaining terms of this Agreement or their application shall not be affected thereby and shall remain in full force and effect.
- 31. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute an Agreement. Facsimile signatures and electronic signatures (including electronically transmitted signed documents) shall be accepted and treated the same as an original.

The parties have caused these General Terms and Conditions to be executed by their respective duly authorized representatives as of the Effective Date.

**EDNETICS, INC.**

**CUSTOMER**

By: \_\_\_\_\_

By: \_\_\_\_\_

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

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

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit A | Usage Pricing

Long distance calls to points outside of the Continental United States and Canada are considered international. International includes Alaska and Hawaii.	\$0.15 per minute
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Directory Assistance	\$0.75 per call
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Operator Assistance	Operator Assistance calls are charged to your credit card and current rates may be obtained from the Operator before placing your call.
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Toll Free Service	\$1.00/number/per month; and \$0.025/per minute
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Toll Free Conferencing	\$1.00/number/per month; and \$0.055/per minute/per conferee
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## Exhibit B | 911 Disclosure Statement

- 1. Enhanced 911 Service ("E911"):** When a caller from a registered location dials the digits 9-1-1 from any telephone that is associated with a phone number and a registered address, the phone number and address are automatically presented to the local emergency center serving the location.
- 2. Basic 911 Service:** When a caller from a registered location dials the digits 9-1-1 using any telephone, the call is sent to the local emergency center serving that location, the telephone number and address associated with that telephone for call back and location purposes is not transmitted. The Basic 911 Service emergency center is not equipped to receive, capture or retain the telephone number associated with the caller's telephone service or the registered address. Accordingly, callers must be prepared to provide both call-back and address information. If the call is dropped or disconnected, or if the caller is unable to speak, the emergency operator answering the call will not be able to call the caller back or dispatch help to the caller's address if call-back and address information has not been provided by the caller.
- 3. 911 service will not work if you experience a power outage, service outage, or a network disruption:** To mitigate this possibility, Ednetics provides automatic fail over to analog lines; however, the battery back-up is Customer's responsibility. In the event the battery back-up runs down or fails, Customer should maintain an alternate means of calling emergency services at all locations, such as 911 capable wireless handsets or wireline analog lines.
- 4. You may not be able to reach the correct emergency services if your telephone number does not match your registered location information:** To accurately route 911 calls to the appropriate emergency call center, Customer must provide at least one Direct Inward Dial telephone number for each separate address location using VoIP telephone service as the call-back telephone number. To mitigate the possibility of not reaching the correct emergency services, Ednetics requires location information on all telephone number additions and/or changes that Ednetics or Customer perform.
- 5. You may not be able to reach the correct emergency services if you move your phone to a location different from the address initially registered or change your telephone number:** Accurate location information must be registered each time Customer changes the phone's location or telephone number. If you do not, you may not be able to reach the correct emergency services and they may not be able to transfer your call to the correct emergency services. To mitigate this possibility, Ednetics will require this information on all moves, adds and/or changes Ednetics does for Customer and also of those that Customer performs.
- 6. Customer responsibility:** It is Customer's responsibility to keep your registered locations and telephone numbers updated with Ednetics at all times, to make sure others know of the 911 limitations above and what to do in an emergency. Customer is also responsible to place 911 stickers or easily seen signs on or near your phones warning of the situations in 2 (if applicable), 3, 4, and 5 above.
- 7. Limitation of Liability and Disclaimers.** CUSTOMER SPECIFICALLY AGREES THAT IN NO EVENT WILL EDNETICS OR ITS DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, OR AGENTS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING, DIRECTLY OR INDIRECTLY, FROM OR IN CONNECTION WITH ANY USE OF, OR INABILITY TO USE, THE SERVICES OR WITH ANY USE OF, OR INABILITY TO USE, EMERGENCY 911 SERVICES IN CONNECTION THEREWITH. CUSTOMER ALSO AGREES TO RELEASE AND DISCHARGE EDNETICS, TOGETHER WITH ITS DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, AND AGENTS, FROM ANY AND AGAINST ALL ACTIONS, LAWSUITS, CLAIMS, DAMAGES, JUDGMENTS, LIABILITIES AND EXPENSES, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS' FEES, THAT CUSTOMER MAY OTHERWISE HAVE IN CONNECTION WITH USE, WHETHER BY CUSTOMER OR BY ANY OTHER PERSON OF THE SERVICES THAT ARE PROVIDED TO YOU UNDER THIS AGREEMENT (COLLECTIVELY, "CLAIMS"). TO THE FULLEST EXTENT PERMITTED BY LAW, YOU WAIVE YOUR RIGHT (AND COVENANT NOT) TO BRING SUIT FOR SAID CLAIMS AGAINST EDNETICS OR ANY OF THE OTHER PERSONS MENTIONED ABOVE.

### Acknowledged and Agreed

Signature

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## Exhibit C | Acceptable Use Policy

- 1. Unlimited Voice Services.** Customer agrees to use the unlimited service plan for traditional voice or fax calling of duration comparable to that of an average business customer. Customer agrees they will not employ methods, devices or procedures to take advantage of the unlimited service plan by using the voice or fax services excessively or for means not intended by Ednetics. Excessive use is defined by Ednetics as use that substantially exceeds the average call duration used by all other Ednetics unlimited voice service plans caused by excessive local number conference calling, monitoring services, data transmissions of broadcasts or transmission of recorded material. Ednetics has the right to terminate Customers' Service if, in its sole discretion, Ednetics determines that that Customer's use of the unlimited plan violates this prohibition or is otherwise "unreasonable" or results in abuse of the unlimited minute service plan.

  - a. Examples of "unreasonable" use are:
    - i. Re-sell, re-brand, re-supply, re-market or commercially exploit the unlimited service plan, without written consent, in order to aggregate traffic from more than one customer over an "unlimited line or trunk;
    - ii. Set-up routing functionality such that only outbound long-distance traffic is sent over the unlimited service; or
    - iii. Engage in any other conduct which is fraudulent or results in significant network congestion or degradation.
  - b. Examples of "abusive" use are:
    - i. Autodialing;
    - ii. Continuous, repetitive or extensive call forwarding;
    - iii. Continuous call session connectivity;
    - iv. Fax broadcasting;
    - v. Fax blasting;
    - vi. Telemarketing; or
    - vii. Any other activity that would be inconsistent with reasonable business use that may cause network congestion or jeopardizes the integrity of Ednetics.
- 2. Lawful Purposes Only.** Customer may use Ednetics Services for lawful purposes only. Customer may not use Ednetics Service or equipment in any way that is illegal, improper, or inappropriate. Illegal, improper or inappropriate uses of Ednetics' Services and/or equipment include the following:

  - a. Interfering with the ability to provide service to the Customer or other customers;
  - b. Use of the Service to threaten, abuse, harass, defame, deceive, defraud, interfere or invade another's privacy or engage in any similar behavior;
  - c. Use of the Service to impersonate another person, send bulk unsolicited messages, use data mining techniques, or other automated devices or programs to catalog, download, store, or otherwise reproduce or distribute information from Ednetics or use any automated means to manipulate the service; or
  - d. Use the Service for transmitting or receiving any communication or material of any kind which would constitute a criminal offense, give rise to a civil liability, or otherwise violate and applicable local, state, national or international law or encourage conduct that would constitute a criminal offense, give rise to a civil liability, or otherwise violate any applicable local, state, national or international law.
- 3. Right of Termination.** Ednetics reserves the right to terminate the Service immediately and without advance notice if Ednetics, in its sole discretion, believes that Customer has violated any of the above restrictions.
- 4. Theft of Service.** Customer may not use or obtain the Service in any manner that avoids Ednetics policies and procedures, including an illegal or improper manner. Customer will notify Ednetics immediately in writing if Customer believes the Service is stolen, used fraudulently, or otherwise being used in an unauthorized manner. If Customer notifies Ednetics of one of these events, Customer must provide an account number and a detailed description of the circumstances of the theft, fraudulent use, or unauthorized use of the Service.
- 5. Revisions to this Acceptable Use Policy.** Ednetics reserves the right to revise, amend, or modify this AUP at any time in any manner. Any revision, amendment, or modification will be effective ten (10) days after Ednetics publishes such revision, amendment, or modification. Your continued use of our Services after such revision, amendment, or modification shall constitute your acceptance of the modifications to the AUP.