



SERVICE LEVEL AGREEMENT

Veracity Networks is committed to providing quality services to our enterprise, medium, and small business (“Commercial Service”) Customers. At Veracity Networks, we base response times and subsequent actions necessary to resolve service-impacting problems on an assessment of the reported technical issue. The more serious the business impact, the higher the assigned priority. In responding to a customer’s service problem Veracity engages its team of technical and engineering personnel to develop a solution for addressing the issue and then implementing a corrective action plan.

Veracity Networks (“Veracity” or “Company”) offers a Service Level Agreement to those customers who subscribe to selected services. The (“SLA”) is incorporated into and made part of the Master Service Agreement (“MSA”), if any, Amendment Agreements (“AA”), and the Services Agreement (“SA”).

This SLA is valid for the duration in which customer subscribes services from the Company. For purposes of this SLA services shall be defined as telecommunication services provided in the specific SA, which, the Parties mutually agreed and signed.

The captions or headings in this SLA are strictly for convenience and shall not be considered in interpreting this SLA or as amplifying or limiting any of its content. Words in this SLA, which import the singular connotation, shall be interpreted as plural, and words that import the plural connotation shall be interpreted as singular, as the identity of the Parties or objects referred to may require. Capitalized terms used herein that are not defined in this SLA shall have the same meaning attributed to them in the MSA.

1. DEFINITIONS

Calendar Month: shall mean the period beginning at 12:00 midnight of the first day of the month and ending at 11:59 PM on the last day of that month.

Circuit: shall mean a discrete path between two or more points....

Customer: shall mean the person, firm, corporation or other entity that orders or uses Services and is responsible for compliance with all Customer obligations set forth in the Agreement, including the duty to pay for Services.

Dynamic Product: shall mean a product containing a local loop connection (fiber, T1, DSL, DS-3, etc.), which provides two or more services simultaneously (Internet Data, MPLS, Voice, P2P, etc.).

Interruption: shall mean the inability to pass incoming and outgoing traffic through Veracity’s network.

Network Operations Center or “NOC”: shall mean the central monitoring and control facility wherein the status of all network critical circuits, customer and backbone repairs, as well as backbone and external connections are managed and maintained.

Outage: shall mean total disruption of service

Point of Termination: shall mean the demarcation point and the point at which Veracity's responsibility to provide service ends and where the Customers or End-User responsibilities begin.

Service Activation Date: shall mean the date when Services are available for customers use.

Service Order: A document which identifies the type of Service to a Customer, including but not limited to the following: quantity and type of service; location served, Point of Termination, protocols, Service Term, service date.

Service Interface: shall mean the user-to-network-connection point where Veracity establishes a demarcation on the Service.

2. VERACITY'S NETWORK

Inclusive of the SLA are the components used on behalf of the Customer to deliver service (routers, servers, access ports - the port on Veracity's aggregation router upon which the Customer's circuit terminates) and the Veracity owned IP Network. This SLA does not include networks owned and/or controlled by other carriers; local access circuits (local loop); Customer Premise Equipment (CPE); Customer's local area network (LAN); interconnection to or from and connectivity within other Internet Service Provider (ISP) network; any act or omission by Customer, its officers, directors, employees, subcontractors, agents, or any other entity under Customer's control; and/or any circumstances beyond Veracity's reasonable control including internet attacks (denial of service, virus, work activity, etc.) or force majeure event as described in the MSA.

3. SERVICE QUALITY

Veracity's commitment to service quality requires having our Network available and capable of delivering service to Customers 100% of the time. Veracity is steadfast in achieving the highest level of reliability. Our NOC is staffed and managed to provide live service from 6:00 to 22:00 with an afterhours call attendant 365 days a year to detect and respond to service and equipment interruptions. Veracity uses several methodologies and tools to monitor the network and engages in preventive diagnosis to determine potential network failures and corrective actions.

4. SERVICE AVAILABILITY

Veracity's Network, as described in Section 2, and subject to the terms, exclusions, and restrictions described in this SLA, is deemed to be available and capable of forwarding IP packets 99.99 % of the time, as averaged over a calendar month. Veracity's service availability standard presupposes only to the point where Veracity can perform remote loop back testing, even if the demarcation point extends past such point. The Service will, for purposes of this SLA, be deemed unavailable to Customer only if the network is subject to an interruption, which results in a total outage, where interruption is a result of the following:

- a) The Customer requesting Veracity to test service although no issue has been detected or reported;

- b) The service has been modified or altered in any manner by the Customer, therefore invalidating the standards set forth in this SLA;
- c) Any Force Majeure event;
- d) Any interruptions resulting directly from defects or failures in the service or equipment provided by the Customer;
- e) The Customer failing to provide access to Veracity, or its agent, to the premises where services are terminated, provided such access is reasonably necessary to prevent degradation or to restore service;
- f) Customer failing to provide technical contact person or a reachable escalation contact or does not provide a written notice about the technical contact and this omission causes a delay to the solution of the problem;
- g) After receiving notification from Veracity of a maintenance (normal or emergency) window.
- h) Interruptions that cannot be addressed as a result of customer not releasing the service for testing and/or repair and continues to use it on an impaired basis;
- i) Use of service in an unlawful manner;
- j) Failure from a Carrier other than Veracity;
- k) Interruptions caused by circumstances beyond the reasonable control of Veracity or its agents.

5. AVAILABILTY OBJECTIVE

Subject to the terms, exclusions and restriction described in this SLA, in the event Customer experiences chronic Outages with respect to the service, Customer will be entitled to terminate the affect service. A service suffers from chronic outages if such service, measured over any Calendar Month, experiences more than five Outages, or more than 48 aggregate hours of Outages. Customer may as its sole and exclusive remedy from chronic Outages, upon 30 days prior written notice to Veracity, terminate the affected service without incurring any early termination charges associated with the affected service except for all usage charges accrued to the date of termination. Customer must exercise any termination right available to it under this section within 30 days after Customer first becomes eligible to exercise the termination right. In the event Customer fails to comply with the condition set forth in the immediately preceding sentence, Customer will, with respect to the termination right, have waived its right to such termination right.

In an event of a service Outage, as described herein and subject to the terms and conditions of this SLA, Veracity will offer the Customer a Service Credit. A Service Credit will be equal to the applicable percentage identified in the table below of Customer's monthly recurring charges ("MRCs") for the affected Service after application of any credits or discounts, with a not to exceed 50%. Dynamic Products (those combined services which are served simultaneously across Veracity's network) Service Credit will be based on the portion of the service affected by the Outage. The Service Credit is not applicable to any service other than the one affected by the service outage.

For purposes of this SLA a Service Credit is calculated using a standardized 30 day month equaling 720 hours.

$$\text{Outage Credit} = \frac{((720 - \text{maintenance outages}) - (\text{minutes of outage}))}{(720 - \text{maintenance outages})} \times 100$$

Service Level Availability Table

Service Availability		Credit Amount (Eligible credit % for affected Service)
Upper Level	Lower Level	
< 99.99 %	97.99 %	5 %
< 97.99 %	96.99 %	10 %
< 96.99 %	95.99 %	25 %
< 95.99 %	93.99 %	50 %

6. MAINTENANCE

Veracity Networks recognizes two types of maintenance “Routine” and “Emergency” as affecting service availability.

Routine Maintenance: shall be defined as upgrades of hardware or software to increase capacity or replace aged equipment. Routine maintenance may temporarily degrade the quality of the Service, including possible outages. For purposes of this SLA maintenance outages are not considered service interrupting and therefore will not be considered for an Outage Credit. Routine maintenance will occur between the hours of Midnight and 6:00 am Local Time, with Local Time defined as the local time in the service area. Customers will receive advanced notice of the maintenance outage at least seven (7) Calendar Days in advance and should plan accordingly.

Emergency Maintenance: shall be defined as the efforts necessary to correct a service-interrupting event requiring immediate and prompt action. Emergency maintenance may degrade the quality of service, including possible outages. Veracity Networks will make reasonable and practical efforts to notify customers of emergency maintenance requirements and may, if necessary, provide an RFO (“Request For Outage”) providing details of the outage and steps taken to correct the outage. Outages results from emergency maintenance will be deemed service interrupting and subject to an outage credit.

Notifications: Customers are required to provide a contact person and an escalation list for notification purposes. Veracity will provide notifications via email, direct calls, and on our website. Customers are obliged to provide confirmation of the acknowledgement of receipt of notification by either sending an email to CustomerServiceGroup@Veracitynetworks.com or calling 801-379-3000.

7. LATENCY

For purposes of this SLA latency shall be defined to mean the elapsed time interval between the transmission and reception of a packet of data from one point to another. Veracity Networks latency assumption is data should be transmitted instantly between one point and another, there are however several contributing factors to consider when calculating latency. These are:

Transmission: The medium used for transmission (fiber, cooper, coax, or some other form) introduces some delay. The size of the packet introduces delay in a round trip since larger packet will take longer to receive and return than a short one.

Router and other processing: Each gateway node takes time to examine and possibly change the header in a packet.

Propagation: This is simply the time it takes for a packet to travel between one place and another at the speed of light.

Veracity's network (as previously defined) estimates propagation time to have an average round trip transit time of 55ms or less over a calendar month. Where average latency is measured using an array of 15 (fifteen) minute samples across the network taken throughout the calendar month. Only successfully delivered egress packets will be measured against the objective, those lost or discarded will not be counted.

Latency equivalents not achieved in a calendar month are subject to review and a customer may receive a service credit of 1/30th of the MRC for each full 1ms above the 55ms average as described in this SLA. Credit limits apply and are defined section 11 Service Credit Limits.

8. PACKET DELIVERY

Veracity Networks objective is to achieve a packet delivery average of 99.9% over a calendar month. Our frame loss performance parameters are defined as the percentage of frames dropped within, or between, switches on our network. Items impacting packet delivery, not within the control of Veracity Networks, include: inadequate signal strength at the destination, natural or human-made interference, excessive noise, hardware failure, software corruption or overburden network nodes.

Average Packet Delivery will be measured as the average of 15-minute samples across the network taken throughout the calendar month. If the Packet Delivery is not achieved in a calendar month, customer may receive a credit of 1/30th of the MRC for the month. Credit limits apply and are defined section 11 Service Credit Limits.

9. NETWORK JITTER

Veracity Networks jitter delay is expected to not exceed 5ms during any calendar month. Where jitter is defined as a variation in the delay of received packets. At the sending site, packets are sent in a continuous stream with the packets spaced apart evenly. Due to network congestion, improper queuing, or configuration errors the steady stream can become lumpy, or the delay between each packet can vary instead of remaining constant.

Average Network Jitter will be measured as the average of 15-minute samples across the network taken throughout the calendar month. If the Packet Delivery is not achieved in a calendar month, customer may receive a credit of 1/30th of the MRC for the month. Credit limits apply and are defined section 11 Service Credit Limits.

10. SLA REPORTING

Customer must open a trouble ticket with Veracity's customer care when Customer believes a service outage has occurred in order to have the network unavailability eligible for consideration for a service credit. Customer must initiate a trouble ticket by voice contact. Upon notification from Customer, Veracity will open a trouble ticket, test the affected service and attempt to isolate the problem. Veracity's records and data will be the sole basis for all service credit calculations and determinations. Customer will not be entitled to any service credits for service unavailability unless Customer has opened a trouble ticket and requested the service credit within one (1) week of the service unavailability.

11. SERVICE CREDIT LIMITS

The provisions of this SLA state Customer's sole and exclusive remedy for Service interruptions or Service deficiencies of any kind whatsoever. In order to be eligible for an Service Credit under this SLA, Customer must, in addition to complying with the other terms included herein: (a) be in good standing with Veracity and current obligations, other than those invoices that are recognized as being in dispute, (b) submit necessary supporting documentation and request the reimbursement or credits hereunder within 30 days of the conclusion of the service month in which the requisite unavailability occurs. In the event Customer fails to comply with the condition set forth in the immediate preceding sentence, Customer will, with respect to that remedy, have waived its right to such remedy.

Veracity will determine the Outage Credits provided to Customer by totaling the eligible outage minutes throughout the Calendar month on the affected service, subject to the restrictions and exclusions herein. Outage Credits for any Calendar Month must exceed \$25.00 to be processed. The number of minutes of each or any separate Service outages will not be cumulated to determine the percentage of credit. Customer is entitled to one (1) day MRC credit per incident and one (1) incident service credit per day. Customer's total service credit(s) in any one month will not exceed the equivalent of 25% of the relevant MRC's for the affected service for that month.

Service credits will apply only to the MRC's of the affected service and do not apply to MRC's of other services. The remedies included in this SLA are Customer's sole and exclusive remedies for disruption of the Service and will apply in lieu of any other service interruption guarantee or credit, outage guarantee or credit, or performance credit for which Customer might have otherwise been eligible.

12. CUSTOMER TERMINATION RIGHTS

Customer may terminate the affected Service without early termination charges if service interruption is deemed to be Chronic Trouble. Chronic Trouble is defined as five or more materially related outages, wherein a materially related outage is as follows:

- i. A cumulative total of eight (8) or more hours of outage on the circuit within a thirty (30) day period or
- ii. One continuous, uninterrupted Service Outage on a particular circuit for a period of forty-eight (48) hours or more.

“Service Outage” shall mean a complete interruption or material degradation of the circuit attributable to facilities or equipment with Veracity’s reasonable control and does not apply to outages,

- iii. Caused in whole or in part by the negligence or acts or omissions of Customer or its end users or its agents;
- iv. Due to a power failure;
- v. Due to the failure or malfunction of non-Veracity services, equipment, facilities, or systems;
- vi. Due to circumstances or causes (i.e. force majeure or act of God) beyond the control of Veracity or its agents;
- vii. During any period in which Veracity is not given access to the Service premises;
- viii. Due to scheduled maintenance.

Customer must provide notice to Veracity Networks by calling the Customer Care number provided on Customer’s invoice for any service interruption on a particular circuit in order for the applicable outage time period to commence. The remedies set forth above shall be the Customer’s sole and exclusive remedy in the event of a Service issue and Customer is responsible for payment of Services used through the date upon which Service is terminated.