

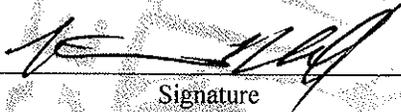
**MASTER SERVICE AGREEMENT
BY AND BETWEEN
THE CHILlicoTHE TELEPHONE COMPANY DBA HORIZON AND
THE STATE OF OHIO, DEPARTMENT OF ADMINISTRATIVE
SERVICES**

THIS MASTER SERVICE AGREEMENT (the "Agreement"), is by and between The Chillicothe Telephone Company dba Horizon ("Service Provider") having an office at 68 East Main Street, Chillicothe, Ohio 43601, and the State of Ohio, Department of Administrative Services ("the State"), having its principal place of business at 30 East Broad Street, 40th Floor, Columbus, Ohio 43215 (jointly referred hereto as the "Parties") and is effective as of the date signed by the State.

IN WITNESS WHEREOF, the Parties have executed this Agreement which shall be effective on the date signed by the State, "Effective Date."

**THE CHILlicoTHE TELEPHONE
COMPANY DBA HORIZON**

**STATE OF OHIO,
DEPARTMENT OF ADMINISTRATIVE
SERVICES**


Signature


Signature

Bill McKell
Printed Name

HUGH GENE KROS
Printed Name

C.E.O
Title

DIRECTOR
Title

10-26-2010
Date

12-23-10
Effective Date

31-4147310
Federal Tax ID

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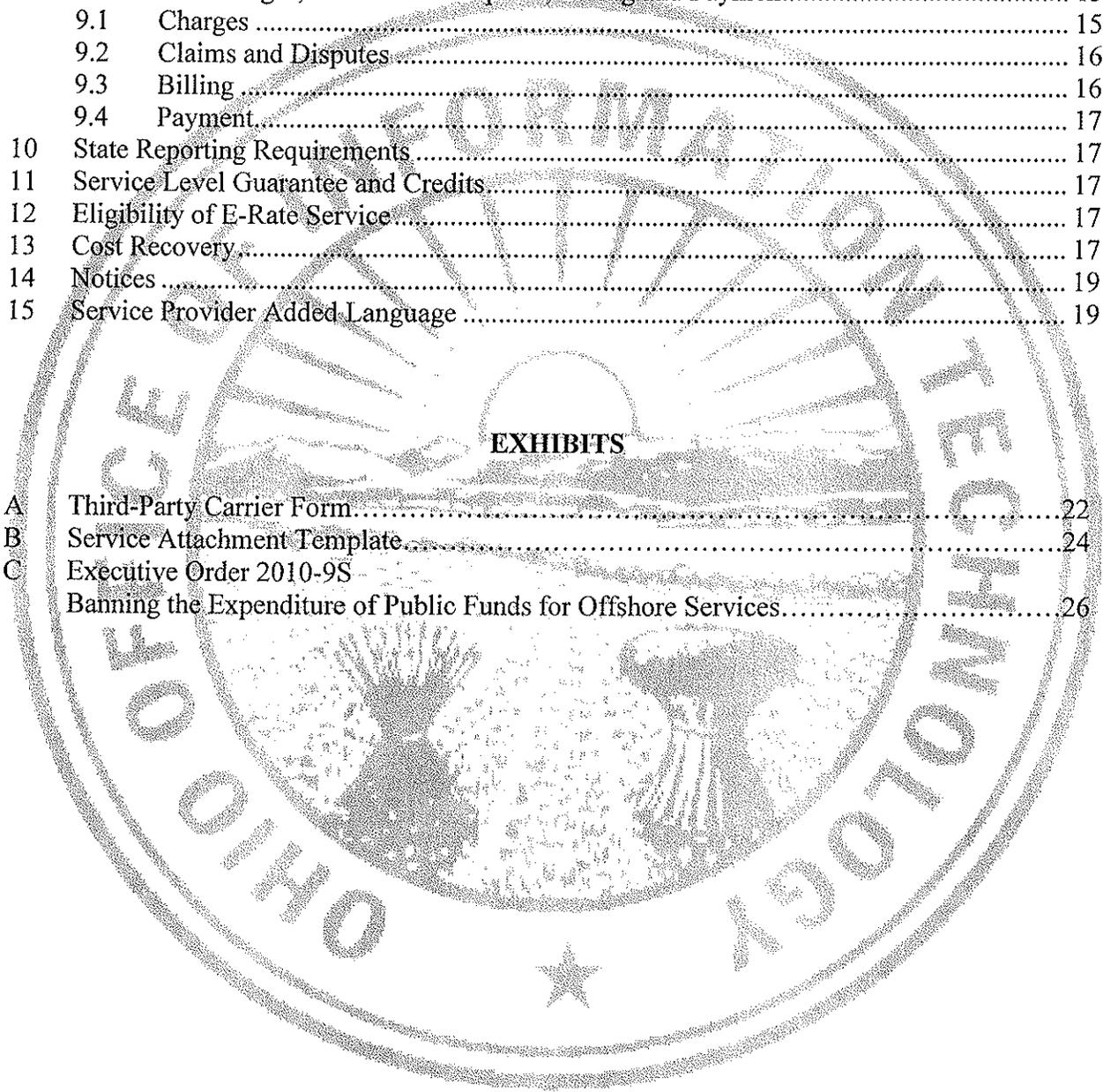
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Terms and Conditions

Sections 1 through Section 14 of this Agreement are hereby defined as the Standard State Terms and Conditions. These Standard State Terms and Conditions are derived from Ohio statutory law, rules and procedures. As such, the Standard State Terms and Conditions will remain as written by the State and construed in conjunction with the applicable laws, rules and procedures.

1 General Information

1.1 Headings

The headings herein are for convenience only and are not intended to have any substantive significance in interpreting this Agreement.

1.2 Relationship of Parties and Subscribing Entity(s)

A. The Parties are independent contractors and nothing herein creates or implies an agency relationship or a joint venture or partnership between the Parties. Considering the Parties are independent contractors, the Service Provider, their employees, contractors and/or subcontractors who may attend meetings and work in other situations where their independent contractor status is not obvious to third parties are required to identify themselves as such to avoid creating an impression in the minds of the members of the public that they are Government officials. In addition, the Service Provider, their employees, contractors and/or subcontractors may not make any representation that they are acting, speaking, representing or otherwise advocating any position, agreement, service or otherwise on behalf of the State.

B. For purposes of this Agreement and any Service Attachments, the Department of Administrative Services and Subscribing Entity(s) shall be authorized to inquire of the Service Provider's Services, invoices, payment and receive reports or other information from the Service Provider.

1.3 Subscribing Entity(s)

"Subscribing Entity(s)", when context is so applicable, means Agencies, Boards, Commissions, Cooperative Purchasing Members, and other entities, or institutions that State of Ohio deems as a government entity or authorize as able to participate as a Subscribing Entity.

1.4 Cooperative Purchasing Members

Cooperative Purchasing Members are defined in Section 125.04 of the Ohio Revised Code ("ORC") and include counties, townships, municipal corporations, regional transit authorities, regional airport authorities or port authorities and school districts, conservancy districts, township park districts and park districts created under ORC Chapter 1545; any other political subdivision that has been approved by the Department of Administrative Services to participate in the Cooperative Purchasing Program; and other entities set forth in ORC Section 125.04. Cooperative Purchasing Members may purchase services from the Service Provider subject to the Terms and Conditions of this Agreement so long as they have entered into a Cooperative Purchasing Agreement with the Department of Administrative Services as detailed in the ORC 125.04. All records concerning the Services purchased under this Agreement shall be made available to State by the Service Provider.

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1.5 Subscribing Entity Reliance on Agreement.

Subscribing Entities may rely on this Agreement. Whenever a Subscribing Entity relies on this Contract to issue a purchase order, the Subscribing Entity will step into the shoes of the State under this Agreement for purposes of its order, and, as to the Subscribing Entity's order, this Agreement will be between the Service Provider and the Subscribing Entity. The Service Provider must look exclusively to the Subscribing Entity for performance, including but not limited to payment, and must hold the State harmless with regard to such orders and the Subscribing Entity's performance and payment. The State will have the right to terminate this Agreement and seek such remedies on termination as this Agreement provides should the Service Provider fail to honor its obligations under an order from a Subscribing Entity.

1.6 Third-Party Suppliers.

- A. The Service Provider must identify all third-party telecommunications carriers that the Service Provider will rely upon to provide services under this Contract, and the Service Provider must act as a reseller for any such carriers, as well as all its other third party suppliers, and incorporate the costs of their services in the Service Provider's fees identified on the applicable Service Attachment under this Contract. Any changes to the list of third party carriers that the Service Provider will rely upon in providing the services under this Contract are subject to the approval of the State, which must be in the form of a written amendment to this Agreement.
- B. Neither the State's approval of the use of such third party carriers or the Service Provider's use of other suppliers means that the State will pay for them. The Service Provider will be solely responsible for payment of its suppliers and any claims of those suppliers for any failure of the Service Provider to meet its obligations under this Agreement in the required manner. The Service Provider will hold the State harmless for and will indemnify the State against any such claims.
- C. The Service Provider assumes responsibility for all services provided under this Agreement whether it or one of its suppliers provides them in whole or in part. Further, the Service Provider will be the sole point of contact with regard to contractual matters, including payment of all charges resulting from the Agreement and all service requests.
- D. If the Service Provider plans to use any third party carriers to provide telecommunications services under this Agreement, the Service Provider must obtain that carrier's agreement to the attached Third-Party Carrier Form and submit it to the State in triplicate for acceptance before the Service Provider may provide services that rely on the telecommunication services of that third-party carrier. This is not required for other suppliers of the Service Provider.

1.7 Non-Exclusivity

This Agreement is non-exclusive. Nothing herein prevents either Party from entering into similar agreements with other entities.

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1.8 Entire Agreement

- A. This Agreement, together with any Service Attachments or Amendments and all applicable tariffs incorporated herein by this reference, sets forth the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes any prior agreements, promises, representations, understandings and negotiations between the Parties.
- B. Any modifications, amendments, supplements to or waivers of this Agreement must be submitted and approved in writing in accordance with this Agreement and executed by authorized representatives of both parties. The Service Provider may be required to file a copy of this Agreement with the Public Utilities Commission of Ohio.

1.9 Severability

If any provision hereunder is declared or held invalid, illegal or unenforceable, this Agreement will be revised only to the extent necessary to make such provision(s) legal and enforceable, or if impossible, the unaffected portions of this Agreement shall remain in full force and effect so long as the Agreement remains consistent with the Parties' original intent.

1.10 Survival

The Terms and Conditions of this Agreement and any associated Amendments will survive the expiration or other termination of this Agreement only to the extent that the DAS or any Subscribing Entity requests in writing 30 days before the expiration of this Agreement or applicable Service Attachment that a Service or Order remain in effect for up to one year following the expiration or termination of this Agreement.

Except for Sections regarding Confidentiality, Indemnification, and Antitrust, the Terms and Conditions of this Agreement and any associated amendments and associated Orders will not survive termination or expiration of this Agreement as to all Services if no request is made for those services to remain active, then Vendor must disconnect all Services not renewed.

If any Service Attachment should expire, terminate, the Terms and Conditions of this Agreement will survive as to all other Service Attachments not expired or terminated.

1.11 No Waiver

Either Party's failure to enforce any provision or term of this Agreement shall not be construed as a future or continuing waiver of such provision or term of this Agreement.

1.12 Governmental Authorization, Regulatory Changes

This Agreement is subject to all applicable federal, state and local laws, rules and regulations, and each Party must comply with all applicable federal, state and local laws, rules and regulations and orders in performing its obligations hereunder. To the extent any provision of this Agreement conflicts with any such applicable law, rule or regulation, such law, rule or regulation will supersede the conflicting provision. The Service Provider may discontinue, limit or impose additional requirements to the

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provision of Service, upon no less than thirty (30) days written notice, as required to meet regulatory or other lawfully imposed requirements

1.13 Standard State Terms and Conditions

- A. As stated previously, Sections 1 through Section 14 of this Agreement are hereby defined as the Standard State Terms and Conditions. These Standard State Terms and Conditions are derived from Ohio statutory law, rules and procedures. As such, the Standard State Terms and Conditions will remain as written by the State and construed in conjunction with the applicable laws, rules and procedures.
- B. The Service Provider may suggest additional language and incorporate such additional language, as agreed to and approved by the Ohio Department of Administrative Services' legal counsel, in Section 15, Service Provider Added Language. Such additional language shall not modify or supersede the Standard State Terms and Conditions. If such a conflict exists at the time of execution of the Agreement and thereafter, the Standard State Terms and Conditions shall prevail.

1.14 Service Specific Terms and Conditions and Service Attachments

Service Attachments describe services the Service Provider may offer under this Agreement, along with any special terms or conditions applicable to them, descriptions of those services, features, and any fees associated with such services, as well as any other provisions the Parties may agree to therein. Such Service Attachments, when executed by the Parties, are incorporated into this Agreement and become a part hereof.

1.15 Order of Precedence

- A. In event of a conflict related to the general Terms and Conditions between the Agreement and the Service Attachment(s), the Agreement shall prevail.
- B. In the event of a conflict related specifically to the service, between the Agreement and the Service Attachment(s), the Service Attachment(s) shall prevail.

1.16 Confidentiality

- A. The Service Provider may learn of information, documents, data, records, or other material that is confidential in the performance of this Agreement. The Service Provider may not disclose any information obtained by it as a result of this Agreement, without the written permission of the State. The Service Provider must assume that all state information, documents, data, source codes, software, models, know-how, trade secrets, or other material is confidential. In addition, the Service Provider may not disclose any documents or records excluded by Ohio law from public records disclosure requirements.
- B. The Service Provider will be liable for the disclosure of any confidential information. The parties agree that the disclosure of confidential information of the State's may cause the State irreparable damage for which remedies other than injunctive relief may be inadequate, and the Service Provider agrees that in

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the event of a breach of the obligations hereunder, the State shall be entitled to temporary and permanent injunctive relief to enforce this provision without the necessity of proving actual damages. This provision shall not, however, diminish or alter any right to claim and recover.

1.17 Competitive Pricing and Services

For the purposes of maintaining pricing and service competitiveness through the term of the Agreement, the Service Provider agrees to an annual joint review of its pricing and service offerings. The annual review shall include, but is not limited to, a customer-like review wherein the Service Provider shall provide an analysis that will include both retail and wholesale prices of the service of other customers similar to the State to ensure the State and Subscribing Entity(s) receive cost-competitive and technologically competitive Services. The Service Provider agrees that written amendments to the Service Attachments to reduce rates and introduce technological service improvements may be submitted throughout the term of the Agreement.

1.18 Contract Compliance and Conflict Resolution

- A. The Service Provider shall comply with all Terms and Conditions of this Agreement and the provisions of any Service Attachments. If the Service Provider fails to perform any one of its obligations under this Agreement or the Service Attachments, it will be in default and the State may proceed in the following manner:
1. The State may terminate this Agreement and/or Service Attachment as according to Section 7 of this Agreement; or
 2. The State may suspend rather than terminate this Agreement and/or Service Attachment where the State believes that doing so would better serve its interest. The notice of suspension whether, with or without cause, will be effective immediately, on the Service Provider's receipts of the notice. The Service Provider may be entitled to compensation for Services rendered before the suspension, less any damage to the State resulting from the Service Provider's breach of this Agreement and/or Service Attachment; or
 3. The State may withhold payment for any Service if the Service Provider is noncompliant with any Term and Condition of this Agreement or Service Attachment until the Service Provider cures the noncompliance or the Parties arrive at a mutual agreement as to the corrective action for the noncompliance; or
 4. The State may file a complaint with the Public Utilities Commission of Ohio for resolution of the matter. Such complaint may include a request by the State for treble damages if the noncompliance by the Service Provider includes any act prohibited by Chapters 4901, 4903, 4905, 4907, 4909, 4921, 4923 or 4925 of the Ohio Revised Code; or
 5. The State may file a complaint for damages with the appropriate court of jurisdiction in the State of Ohio.

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2 Indemnification / Limitation of Liability

2.1 Indemnification

The Service Provider must indemnify the State against all liability or expense resulting from bodily injury to any person (including injury resulting in death) or damage to property arising out of its performance under this Agreement, provided such bodily injury or property damage is due to the negligence of the Service Provider, its employees, agents, or subcontractors.

2.2 Limitation of Liability - State

The State's and Subscribing Entity(s) liability for damages, whether in contract or in tort, shall not exceed the amount of compensation payable to Service Provider for the previous twelve months of Service related to the specific Attachment under which the damages occurred, or the amount of direct damages incurred by the Service Provider, whichever is less.

2.3 Limitation of Liability - Service Provider

- A. The Service Provider will be responsible for any liability, claims, losses and damages arising out of the performance of this Agreement providing such liability, claim, loss, or damage is due to the fault or negligence of the Service Provider, its employees, agent or subcontractors.
- B. NOTWITHSTANDING THE PREVIOUS SENTENCE AND EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY, ITS AFFILIATES OR CONTRACTORS SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

3 Standard Clauses

3.1 Excusable Delay

Neither Party will be liable for any delay in its performance that arises from causes beyond its control and without its negligence or fault. The delayed Party will notify the other promptly of any material delay in performance and will specify in writing the proposed revised performance date or dates as soon as practicable after notice of delay. In the event of any such excusable delay, the dates of performance or of delivery affected by the delay will be extended for a period equal to the time lost by reason of the excusable delay. The delayed Party must also describe the cause of the delay and what steps it is taking to remove the cause. The delayed Party may not rely on a claim of excusable delay to avoid liability for a delay if the delayed party has not taken commercially reasonable steps to mitigate or avoid the delay. Things that are controllable by the Service Provider's subcontractors will be considered controllable by the Service Provider, except for third-party manufacturers supplying commercial items and over whom the Service Provider has no legal control.

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3.2 Employment Taxes

Each Party will be solely responsible for reporting, withholding and/or paying all employment related taxes, payments and/or withholdings for its own personnel, including, but not limited to, Federal, state and local income taxes, social security, unemployment or disability deductions, withholdings, and/or payments (together with any interest and penalties not disputed with the appropriate taxing authority).

3.3 Sales, Use, Excise, and Property Taxes

The State and certain Subscribing Entity(s) are exempt from any sales, use, excise, and property tax. To the extent sales, use, excise, or any similar tax is imposed on the Service Provider in connection with the Project, such will be the sole and exclusive responsibility of the Service Provider, and the Service Provider will pay such taxes (together with any interest and penalties not disputed with the appropriate taxing authority) whether they are imposed at the time the services are rendered or a later time.

3.4 Equal Employment Opportunity

- A. The Contractor will comply with all state and federal laws regarding equal employment opportunity and fair labor and employment practices, including Ohio Revised Code Section 125.111 and all related Executive Orders.
- B. Before a contract can be awarded or renewed, an Affirmative Action Program Verification Form must be submitted to the DAS Equal Opportunity Division to comply with the affirmative action requirements. Affirmative Action Verification Forms and approved Affirmative Action Plans can be found by contacting the Equal Opportunity Department or viewing the Equal Opportunity Department's web site:

www.das.ohio.gov/eod

- C. Use of MBE and EDGE Service Providers. The State encourages Contractor to purchase goods and services from Minority Business Enterprises (MBE) and Encouraging Diversity, Growth and Equity (EDGE) Service Providers.

3.5 Drug-Free Workplace

The Service Provider will comply with all applicable state and Federal laws regarding keeping a drug-free workplace. The Service Provider will make a good faith effort to ensure that all Service Provider employees, while working on state property, will not have or be under the influence of illegal drugs or alcohol or abuse prescription drugs in any way.

3.6 Conflicts of Interest

No personnel of the Service Provider may voluntarily acquire any personal interest that conflicts with their responsibilities under this Agreement. Additionally, the Service Provider will not knowingly permit any public official or public employee who has any responsibilities related to this Agreement or the Project to acquire an interest in anything or any entity under the Service Provider's control if such an interest would conflict with that official's or employee's duties. The Service Provider will disclose to the State knowledge of any such person who acquires an incompatible or conflicting personal interest related to this Agreement. The Service Provider will take all legal

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steps to ensure that such a person does not participate in any action affecting the work under this Agreement, unless the State has determined that, in the light of the personal interest disclosed, that person's participation in any such action would not be contrary to the public interest.

3.7 Assignment

The Service Provider may not assign this Agreement or any of its rights or obligations under this Agreement without the prior, written consent of the State.

3.8 Governing Law

This Agreement will be governed by the laws of Ohio, and venue for any disputes will lie with the appropriate court in Franklin County, Ohio.

3.9 Finding for Recovery

The Service Provider warrants that it is not subject to an unresolved finding for recovery under Ohio Revised Code Section 9.24. If the warranty was false on the date the Parties signed this Agreement, the Agreement is void ab initio.

3.10 Anti-trust

The Parties recognize that in actual economic practice, overcharges resulting from antitrust violations are usually borne by the Subscribing Entity(s). The Service Provider assigns to the State and Subscribing Entity(s) all state and federal antitrust claims and causes of action, which the Service Provider now has or may acquire, that related to the services that are attached to this Agreement.

3.11 Use of Name

Neither Party will use the other Party's name in any marketing without the other Party's written consent.

3.12 Executive Order 2007-1S Compliance

- A. The Service Provider certifies that it has reviewed and is currently in compliance and will continue to adhere to the requirements of Ohio ethics laws.
- B. In accordance with Executive Order 2007-01S, the Service Provider, by signature on this document, certifies: (1) it has reviewed and understands Executive Order 2007-01S, (2) has reviewed and understands the Ohio ethics and conflict of interest laws, and (3) will take no action inconsistent with those laws and this order. The Service Provider understands that failure to comply with Executive Order 2007-01S is, in itself, grounds for termination of this contract and may result in the loss of other contracts with the State of Ohio.

3.13 Campaign Contributions

Service Provider, by signature affixed on this document, hereby certifies that all applicable parties listed in Division (I) or (J) of O.R.C. Section 3517.13 are in full compliance with Divisions (I) and (J) of O.R.C. Section 3517.13.

If the Service Provider accepts a Contract or purchase order issued under the Contract without proper certification, DAS will deem the Service Provider in breach and the Service Provider will be subject to all legal remedies available to the Department of

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Administrative Services up to and including debarment from doing business with the State of Ohio.

Additional information regarding Contribution Restrictions is available on the Office of Budget & Management's website at: www.obm.ohio.gov.

3.14 Declaration Regarding Terrorist Organization

In accordance with R.C. 2909.33(C), the Service Provider certifies that it meets one of the following conditions:

1. The Service Provider has not received, nor will receive as a result of this contract, an aggregate amount greater than one hundred thousand dollars (\$100,000) in business or funding, excluding personal benefits, from the state, instrumentalities, or political subdivisions during the current fiscal year; or
2. The Service Provider has received, or will receive as a result of this contract, an aggregate amount greater than one hundred thousand dollars (\$100,000) in business or funding, excluding personal benefits, from the state, instrumentalities, or political subdivisions during the current fiscal year; and,
3. The Service Provider has either pre-certified with the Office of Budget and Management, or has completed the Declaration of Material Assistance ("DMA") form certifying that the Service Provider has not provided material assistance to any organization on the Terrorist Exclusion List, as that term is defined in R.C. 2909.21.

3.15 Safety and Security Rules

When accessing State networks and systems, the Service Provider must comply with all applicable policies and regulations regarding data security and integrity. And when on any property owned or controlled by the State, the Service Provider must comply with all security and safety rules applicable to people on those premises.

3.16 Executive Order 2010-09S

- A. The Service Provider affirms to have read and understands Executive Order 2010-09S issued by Ohio Governor Ted Strickland and shall abide by those requirements in the performance of this Contract, and shall perform no services required under this Contract outside of the United States. The Executive Order is provided as an attachment and also is available at the following website: (<http://www.governor.ohio.gov/Default.aspx?tabid=1495>)
- B. The Service Provider also affirms, understands, and agrees to immediately notify the State of any change or shift in the location(s) of services performed by the Service Provider or its subcontractors under this Contract, and no services shall be changed or shifted to a location(s) that are outside of the United States.
- C. If Service Provider or any of its subcontractors perform services under this Agreement outside of the United States, the performance of such services shall be treated as a material breach of the Contract. The State is not obligated to pay and shall not pay for such services. If Service Provider or any of its subcontractors perform any such services, Service Provider shall immediately return to the State all funds paid for those services. The State may also recover from the Service

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Provider all costs associated with any corrective action the State may undertake, including but not limited to an audit or a risk analysis, as a result of the Service Provider performing services outside the United States.

- D. The State may, at any time after the breach, terminate the Agreement and all of the Service Attachments, upon written notice to the Service Provider. The State may recover all accounting, administrative, legal and other expenses reasonably necessary for the preparation of the termination of the Agreement and costs associated with the acquisition of substitute services from a third party.
- E. If the State determines that actual and direct damages are uncertain or difficult to ascertain, the State in its sole discretion may recover a payment of liquidated damages in the amount of 1% of the value of the Agreement.
- F. The State, in its sole discretion, may provide written notice to Service Provider of a breach and permit the Service Provider to cure the breach. Such cure period shall be no longer than 21 calendar days. During the cure period, the State may buy substitute services from a third party and recover from the Service Provider any costs associated with acquiring those substitute services.

Notwithstanding the State permitting a period of time to cure the breach or the Service Provider's cure of the breach, the State does not waive any of its rights and remedies provided the State in this Agreement, including but not limited to recovery of funds paid for services the Service Provider performed outside of the United States, costs associated with corrective action, or liquidated damages.

4 Appropriation and Certification of Funds

4.1 Appropriation of Funds

The State of Ohio's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails at any time to continue funding for the payments or any other obligations due by the State under this Contract, the State will be released from its obligations on the date funding expires.

4.2 Certification of Funds

None of the rights, duties, or obligations in this Agreement will be binding on the State, and the Service Provider will not begin its performance, until all the following conditions have been met: (a) all statutory provisions under the Code, including Section 126.07, have been met; (b) all necessary funds are made available by the appropriate state agencies; (c) if required, approval of this Agreement is given by the Controlling Board of Ohio; and (d) if the State is relying on Federal or third-party funds for this Agreement, the State gives the Service Provider written notice that such funds have been made available.

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5 Orders Requesting Service, Cancellation, or Modification

5.1 Service, Cancellation, or Modification

- A. All Orders for Service as well as any Cancellations, or Modifications to an order must be made through the State's Technology (formerly Telecommunications) Service Request ("TSR") system or any similar system in use by the State at the time an order for Service, Cancellation or Modification is requested. Therefore the Service Provider will notify the State when an order is received that was placed outside the TSR or similar system and the Service Provider will not accept the order. If a Service Provider accepts an order outside the TSR or similar system, the State may either withhold payment for the unverified order or request suspension of the Service occurring due to the unverified order without penalty to the State.
- B. The Service Provider agrees to keep Subscribing Entities' orders updated and current in the TSR System.
- C. The Service Provider is responsible for processing all orders, billing, payments, cancellations, and changes, and receiving and managing all Service calls in a consolidated manner. In this regard, the Service Provider must act as the sole point of contact for all Services under this Agreement and any related Service Attachments for all Subscribing Entities. The Service Provider may not require a Subscribing Entity to contact any of the Service Provider's third-party suppliers/carriers or otherwise transact business directly with such suppliers/carriers for any Services ordered under this Agreement, and in all respects, the Service Provider must maintain a seamless, single-point-of-contact business relationship with each Subscribing Entity for the Services ordered under this Agreement.

5.2 eBonding

If available through the Service Provider, the State may opt to generate service orders, conduct order status checks, report Service trouble, manage this Agreement and the Service Attachments and conduct other related transactions through the Service Provider's eBonding system which will allow the State to automatically enter directly into the Service Provider's proprietary system. Once the Service Provider has eBonding capability, the Service Provider must notify the State and provide access to the eBonding system.

6 Term

The current General Assembly cannot commit a future General Assembly to any expenditures. Therefore, this Agreement along with all Service Attachments will automatically expire at the end of the current biennium, which is June 30, 2011.

6.1 Agreement - Renewal

The State may renew this Agreement in the next biennium by issuing written notice to the Service Provider of the decision to do so. Renewals will be initiated by the State in writing at least thirty (30) days prior to the expiration of the then current term. This

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expiration and renewal procedure will also apply to the end of any subsequent biennium.

6.2 Service Attachment(s) - Renewal

- A. The State may renew the Service Attachments for the next biennium by issuing written notice to the Service Provider of the decision to do so. Renewals will be initiated by the State at least thirty (30) days prior to the expiration of the then current term. This expiration and renewal procedure will also apply to any subsequent biennium.
- B. After the first renewal the Parties agree that pricing of services under the Service Attachment may be renegotiated to reflect more favorable rates to the State. Upon termination of this Agreement, all rights of the Subscribing Entity(s) to order new Services cease and the Service Provider has no further obligations to furnish new Services to the Subscribing Entity(s). The Subscribing Entity(s) have the option anytime during the Agreement period to upgrade to a new technology or service offering with the Service Provider without incurring termination charges as more specifically outlined in the individual Service Attachments.

7 Termination - Agreement and Service Attachments

- A. For the State's convenience, the State may terminate this Agreement and/or Service Attachment(s) during the Initial or any Renewal Term with thirty (30) days advanced written notice to the Service Provider. The Subscribing Entity(s) shall pay for all accrued and unpaid charges for Service and any Cancellation Charges as outlined in the appropriate Service Attachment(s), through the effective date of such termination.
- B. If the Termination of the Agreement and/or Service Attachments is for cause, neither the State nor Subscribing Entity(s) will be held liable for any Cancellation Charges as outlined in the appropriate Service Attachment(s).
- C. In addition, it is understood that the State's funds are contingent upon the availability of lawful appropriations by the Ohio General Assembly. If the General Assembly fails at any time to continue funding for the payments and other obligations due as part of this Agreement, the State and Subscribing Entity(s) obligations under this Agreement are terminated as of the date that the funding expires without further obligation of the State and Subscribing Entity(s).

8 Cancellation of Services as Described in a Service Attachment

Under this Agreement and Service Attachment(s), Service(s) may be cancelled by either the Subscribing Entity(s) or the Service Provider as follows:

8.1 By the Subscribing Entity(s)

- A. For the Subscribing Entity(s) convenience, the Subscribing Entity(s) may cancel the service(s) at any time for any reason. The Subscribing Entity(s) shall remain liable for charges accrued but unpaid as of the cancellation date as well as any Cancellation Charges as outlined in the appropriate Service Attachment(s).

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- B. If the cancellation of the service(s) is for cause or non-appropriation of funds as described in Section 6, the Subscribing Entity(s) shall not be held liable for any Cancellation Charges as outlined in the appropriate Service Attachment(s).

8.2 By the Service Provider

- A. If a Subscribing Entity(s) materially defaults in the performance of any of its duties or obligations under this Agreement and/or Service Attachment(s), the Service Provider may, by giving at least thirty days (30) written notice thereof to cancel the service and providing the cancellation date.
- B. If the Subscribing Entity(s) cures the default to the satisfaction of the Service Provider and prior to the cancellation of services date, the Agreement shall remain in full force and effect.
- C. The Subscribing Entity(s) shall remain liable for charges accrued but unpaid as of the cancellation date, and any Cancellation Charges as outlined in the appropriate Service Attachment(s).

9 Financial – Charges, Claims and Disputes, Billing and Payment

9.1 Charges

- A. All applicable charges are fully documented in the appropriate Service Attachment(s). The Subscribing Entity(s) will not be responsible for any charges not documented in the Service Attachment(s) nor will the Subscribing Entity(s) be responsible for any charges waived by the Service Provider as described in the Service Attachment(s). The charges waived by the Service Provider include, but are not limited to, the following:
1. Universal Connectivity Fee;
 2. Administrative Expense Fee;
 3. Property Tax Allotment; and
 4. Federal Regulatory Fee of 2.06%
- B. To the extent that any sales, use, excise or any similar tax is imposed on the Service Provider in connection with this Agreement, such will be the sole responsibility of the Service Provider, and the Service Provider will pay such taxes (together with any interest and penalties not disputed with the appropriate taxing authority) whether they are imposed at the time Service is rendered or at a later time during the Term.
- C. The Subscribing Entity(s) will pay ONLY any taxes, fees, surcharges or assessments, as outlined in the appropriate Service Attachment(s), to the extent the Subscribing Entity is not exempt from such taxes, surcharges or assessments, and will appear as a separate line item on the invoice.
- D. The Subscribing Entity(s) are not subject to increases in the monthly recurring charge or usage charges during the term of this Agreement.
- E. Subscribing Entities are not responsible for any charges from the Service Provider's third-party suppliers/carriers for any Services ordered under this Agreement, unless a Service Attachment expressly provides otherwise. In this

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regard, the Service Provider is the seller or reseller of all Services covered by this Agreement, and any payments due to the Service Provider's third-party suppliers/carriers for services under this Agreement are included in the Service Provider's fees specified in the applicable Service Attachment, unless that Service Attachment expressly provides otherwise.

9.2 Claims and Disputes

- A. The Subscribing Entity(s) are only authorized to pay correct invoices.
- B. During the pendency of the investigation into the disputed charges, upon written notification to the Service Provider, the State may withhold payment for the Services described in the Service Attachment until the dispute is resolved.
- C. Once the investigation into the disputed charge(s) has been completed:
 1. If in favor of the Subscribing Entity, the Service Provider will issue a credit on the next invoice. If the credit exceeds the service charges on the next invoice, the Service Provider will issue payment to the State in the form of a check in the amount exceeding the service charges.
 2. If in favor of the Service Provider, the Subscribing Entity will submit payment within thirty (30) days of receiving notification at the office designated to receive the invoice.

9.3 Billing

- A. Invoices will be issued at the account level, however the Subscribing Entity(s) may require a recap at the Agency, Division, or District level based on the organizational structure of the Subscribing Entity(s).
- B. Invoices must be submitted electronically, either in the form of an internet download or optical/media magnet which form is to be determined at the State's option, to the office designated in the purchase order or TSR as the "bill to address". The invoice shall be submitted within sixty (60) days of the Service. If the State does not received the invoice within the sixty days of the date of Service, the State shall be entitled to deny payment of the invoice.
- C. If a Service Provider is using additional Service Providers/entities to provide the Services described in the Service Attachments, the Service Provider, at the State's option, must generate a consolidated invoice and submit the consolidated invoice to the State, unless a Service Attachment expressly provides otherwise.
- D. A proper invoice must include the following information and/or attached documentation:
 1. Name and address of the Service Provider as designated in the Agreement or Amendment.
 2. Federal Tax Identification Number of the Service Provider as designated in this Agreement.
 3. Invoice remittance address as designated in the Agreement.
 4. A sufficient enough description of the Services that allows the State to identify the Services or perform an audit of the Services.

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9.4 Payment

- A. Payments for services under this Agreement will be due on the 30th calendar day after the actual receipt of a proper invoice in the office designated to receive the invoice.
- B. The date of the warrant issued in payment will be considered the date payment is made.
- C. Without diminishing the foregoing payment rights and obligations, the payment will be overdue if it is not received by Service Provider within 30 days after the receipt of a proper invoice in the office designated to receive the invoice.
- D. At the Service Provider's option, if a payment is overdue, then interest will be paid under the provisions of Section 126.30 of the Ohio Revised Code ("Code").

10 State Reporting Requirements

The Service Provider shall provide the State with a recap of all services provided to the Subscribing Entity on a monthly basis. Specific reporting data requirements will be outlined in the Service Attachment and/or Amendments.

11 Service Level Guarantee and Credits

The Service Provider will issue credit allowances for service outages as set forth in the Service Level Agreement outlined in the Service Attachment and/or Amendments section(s). The credit will appear on the next invoice.

12 Eligibility of E-Rate Service

- A. Some services under this Agreement and/or the Service Attachments may be eligible for the Universal Service Administrative Company's ("USAC's") Education Rate (E-Rate) Program. If a Service Provider makes a determination that certain administrative fees are E-Rate eligible, the Service Provider must line-item each invoice to the State indicating which administrative fees are E-Rate eligible. Service Providers and customers party to this contract must follow the rules as set forth by USAC. Please refer to the follow web location, if available:

<http://www.sl.universalservice.org>

- B. Under current USAC rules, administrative fees assessed by the State are excluded from e-Rate reimbursement for telecommunications services. Any applicable administrative fees are identified in Section 13, Cost Recovery. Service Provider will be responsible for all E-Rate federal reimbursement requirements.

13 Cost Recovery

- A. The Service Provider will establish a State of Ohio Cost Recovery Fee Account. This Cost Recovery Fee is an estimated charge to recover costs/fees incurred by the State in the management and administration of the Services for all the parties and/or Subscribing Entities in the Agreement described herein and/or the Service Attachments.

Terms and Conditions

- B. The Cost Recovery Fee to be paid to State will be calculated by multiplying Two Percent (2%) times the total dollar amount of services invoiced. The State will generate notification to the Service Provider via email on the last day of the quarter advising the Service Provider to complete a revenue reporting form provided by the State within thirty (30) days prior to the close of the quarter. The Service Provider will complete and return the revenue reporting form via email within thirty (30) days preceding the close of the quarter. The State will compare quarterly the revenue reporting forms provided by the Service Provider to expenditure data from the State's general ledger to insure minimum reporting amount was met. The minimum would include all state expenditures without cooperative purchasing expenditures. The State will generate an invoice to the Service Provider for the quarterly Cost Recovery Fee based on reported revenue but at least exceeding amount of general ledger statewide disbursements report.

Example of calculation of a Cost Recovery Fee:

Example 1			
Service Provider Revenue Report	\$1,000.00	X 2%	\$20.00
State Expenditure Report	\$900.00		
Example 2			
Service Provider Revenue Report	\$800.00		
State Expenditure Report	\$1,000.00	X 2%	\$20.00

- C. The Service Provider will remit to the State the 2% Cost Recovery Fee within thirty (30) days of receipt of the invoice from the State by check to the State of Ohio, Office of Information Technology. **THE CHECK SHALL BE MADE OUT TO: TREASURER, STATE OF OHIO, FUND 133** and shall be sent to the State at the following address:

Department of Administrative Services
Office of Information Technology
Infrastructure Services Division
30 E. Broad Street – 39th Floor
Columbus, OH 43215
Attn: Business Manager

- D. To ensure that the payment is credited properly, the Service Provider will identify the check as State of Ohio Cost Recovery Fee and reference this Agreement between the Service Provider and The State of Ohio, Office of Information Technology and reference the Quarterly Activity Reports supporting the check amount. The data requirements for the Quarterly Activity Reports will be detailed in the Service Attachment(s). Credit of the Cost Recovery Fee will begin in the month of execution of this Agreement.
- E. A copy of the Quarterly Activity Report shall be sent to the Contract Manager at the following address:

Department of Administrative Services
Office of Information Technology
Infrastructure Services Division

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1320 Arthur E. Adams Drive, Room 310
Columbus, Ohio 43221
Attention: Contract Manager

- F. The first payment will be calculated against all services rendered to the existing Subscribing Entity(s) transferred to the Agreement in the month of effective date. Subsequent payments will be calculated against all Subscribing Entity(s) as stated above.

14 Notices

Except as otherwise provided in this Agreement, all notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by a) registered or certified mail, postage prepaid, in any post office in the United States; b) hand delivery; c) overnight courier; d) facsimile transmission or e) email upon confirmation of receipt.

If to the State:

Department of Administrative Services
Office of Information Technology
Infrastructure Services Division
1320 Arthur E. Adams Drive, Room 310
Columbus, Ohio 43221
Attention: Contract Manager

If to the Service Provider:

The Chillicothe Telephone Company dba Horizon
68 East Main Street
Chillicothe, Ohio 45601
Attention: Executive GM, Sales

15 Service Provider Added Language

This Section has been added to provide the Service Provider with the flexibility to add to the Terms and Conditions outlined in Sections 1 through 15 of this Agreement. Any additions or changes in this section must follow the format as outlined in the Master Service Agreement and Service Attachment instructions document. Please note that all Terms and Conditions which are specific to the services will be addressed in the Service Attachment(s) and not in this section.

15.1 Modifications

This Section provides a reference to each modified Section, a description of the modification, and the modified language. Sections containing multiple modifications are noted.

Terms and Conditions

A. Section 1.18 – Competitive Pricing and Services

1. Language to be modified: None, the original text in this Section will remain in its entirety.
2. Modified language: The following text will be added to the end of the last sentence:
“; provided, however, that any such reduction will require the consent of the Service Provider.”

B. Section 1.19 - Contract Compliance and Conflict Resolution

Note: This Section contains multiple modifications.

Modification 1 - Second sentence of first paragraph

1. Language to be modified: Delete the text in the second sentence of the first paragraph A. in its entirety.
2. Modified language: The following text will be added in lieu of such second sentence:
“If the Service Provider fails to perform its obligations under this Agreement or the Service Attachments, and if the Service Provider fails to cure such failure within 30 days after receipt of written notice of such failure, it will be in default and the State may proceed in the following manner:”

Modification 2 – Text added to the Section

1. Language to be modified: None, the original text in this Section will remain in its entirety.
2. Modified language: The following text will be added at the beginning of the second sentence of subsection A.4:

“To the extent permitted by law,”

C. Section 2.2 – Limitation of Liability – State

1. Language to be modified: Delete the text in its entirety.
2. Modified language: This Section is replaced with the following text:

“The State’s and Subscribing Entity(s) liability, on the one hand, and the Service Provider’s liability, on the other hand, for damages, whether in contract or in tort, shall not exceed the amount of compensation payable to the Service Provider for

Terms and Conditions

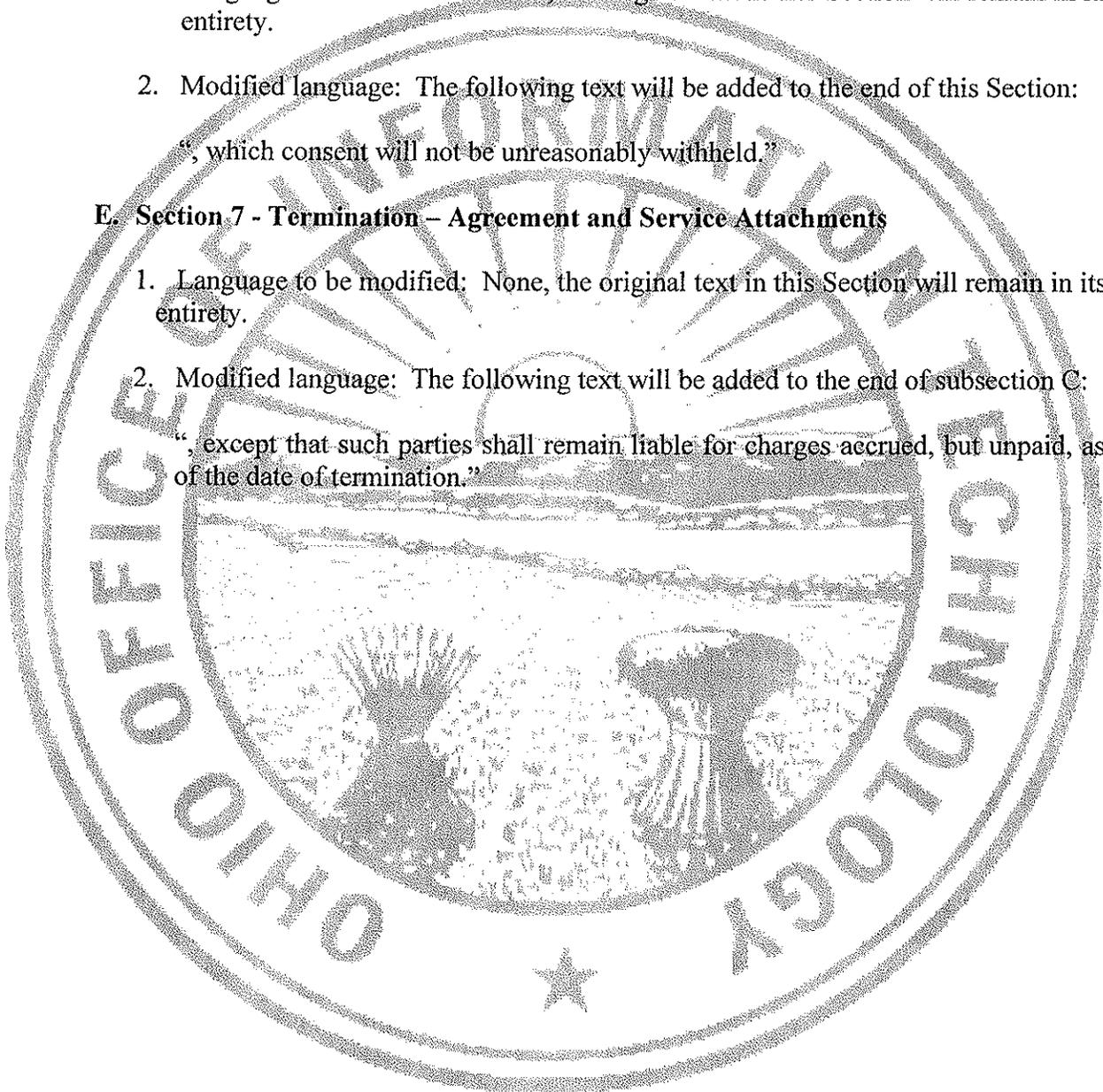
the previous 12 months of Service related to the specific Attachment under which the damages occurred, or the amount of direct damages incurred by the other party, whichever is less.”

D. Section 3.7 - Assignment

1. Language to be modified: None, the original text in this Section will remain in its entirety.
2. Modified language: The following text will be added to the end of this Section:
“, which consent will not be unreasonably withheld.”

E. Section 7 - Termination – Agreement and Service Attachments

1. Language to be modified: None, the original text in this Section will remain in its entirety.
2. Modified language: The following text will be added to the end of subsection C:
“, except that such parties shall remain liable for charges accrued, but unpaid, as of the date of termination.”



Exhibits

EXHIBIT A

Third-Party Carrier Form # _____

This Third-Party Carrier Form (the "Form"), is between _____ ("Carrier") having an office at _____, and the State of Ohio, Department of Administrative Services, Office of Information Technology ("the State"), having its principal place of business at 1320 Arthur E. Adams Drive, 3rd Floor, Columbus, OH 43221 (jointly referred hereto as the "Parties"), and it is effective as of the date signed by the State.

The Carrier is acting as a third-party carrier for _____ ("the Service Provider") under an agreement between the State and the Service Provider as a result of an RFP issued _____ ("the Agreement").

The Carrier has a copy of the Agreement and will honor all terms and conditions in the Agreement unless otherwise modified by the Carrier and State's Service Attachment.

Additionally, if the State and the Carrier agree to contract directly for services, they may do so by executing a Service Attachment between them that references the Agreement, in which case, all provisions of the Agreement will apply to the Carrier as if the Carrier were the original Service Provider under the Agreement. Notwithstanding the foregoing, for purposes of written notices under the Agreement with respect to the Service Attachments entered into directly between the State and Carrier, notices to Carrier will be sent to:

(Notice Address)

Further, with respect to the Third-Party Supplier section, the Carrier will not be obligated to notify the State of third-party carriers or obtain Third-Party Carrier Forms from them.

Additionally, no Service Attachments entered into under the Agreement between the original Carrier and the State will apply to the Carrier, except to the extent the Carrier is a third-party carrier for purposes of them with the original Service Provider. And no amendments to the Agreement between the original Service Provider and the State will apply for purposes of any Service Attachment directly between the State and the Carrier, unless any such Amendment is directly between the State and the Carrier or incorporated by reference in the applicable Service Attachment with the Carrier.

Whenever the State and the Carrier rely on the Agreement to directly enter into a Service Attachment, the Carrier will step into the shoes of the Service Provider under the Agreement for purposes of that Service Attachment only, and, as to that Service Attachment, the Agreement will be solely between the Carrier and the State. The Carrier and the State must look solely to each other for performance with respect to the applicable Service Attachment, including but not limited to billing and payment, and the original Service Provider will not be considered a party to the Agreement for purposes of any such Service Agreement directly with the Carrier. Nothing in this Form requires the Contractor or the State to enter into any Service Attachment directly, and

Exhibits

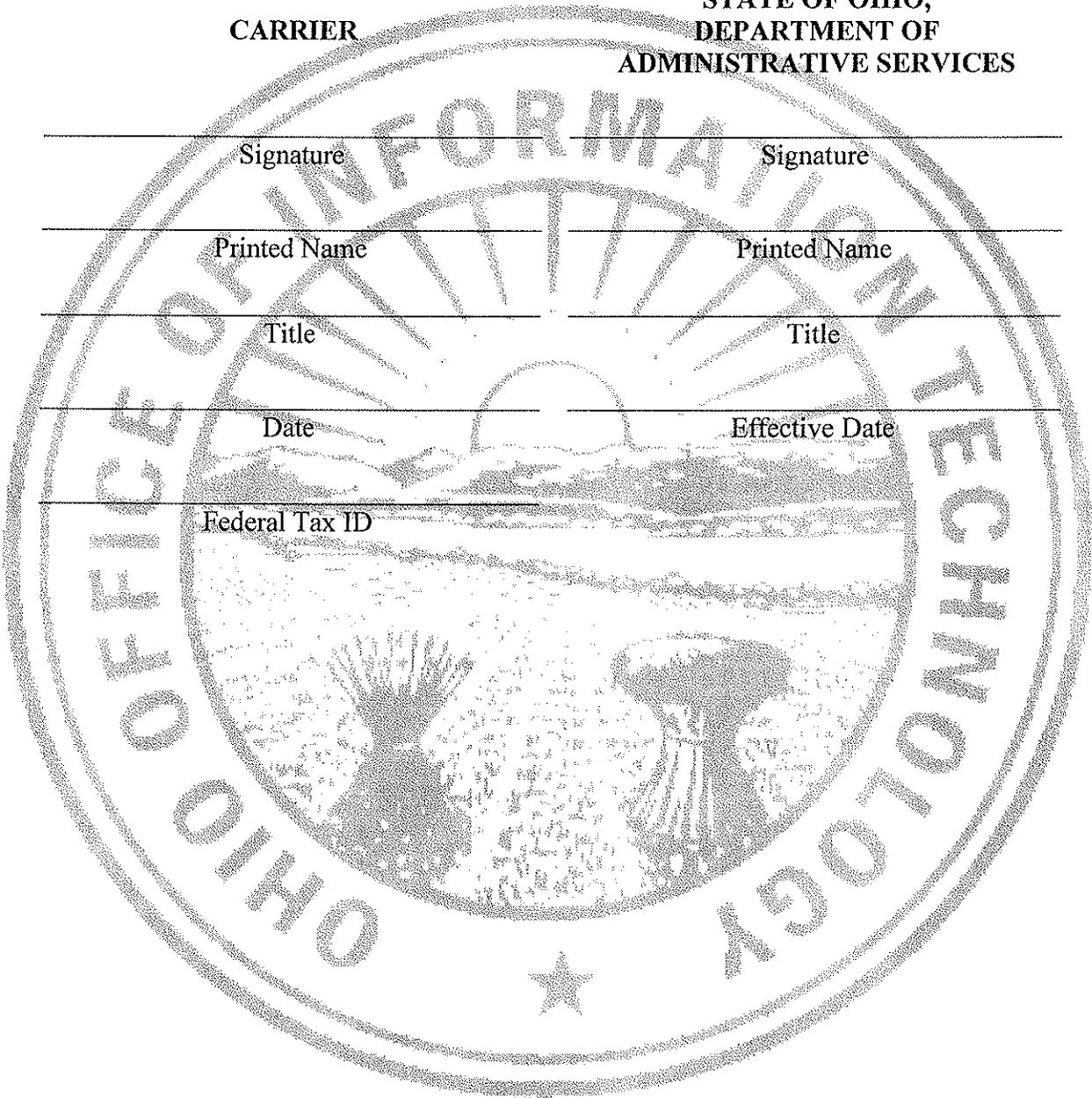
should they so agree, the Service Attachment will be effective only when signed by the Carrier and accepted by the State through execution of it by the State's duly authorized representative.

In Witness Whereof, the Parties have executed this Form which is effective on the date the State's duly authorized representative signs it on behalf of the State, ("Effective Date").

CARRIER

**STATE OF OHIO,
DEPARTMENT OF
ADMINISTRATIVE SERVICES**

Signature	Signature
Printed Name	Printed Name
Title	Title
Date	Effective Date
Federal Tax ID	



Exhibits

EXHIBIT B

Service Attachment # _____

This Service Attachment (the "Service Attachment"), is between _____ ("Service Provider") having an office at _____, and the State of Ohio, Department of Administrative Services, Office of Information Technology ("the State"), having its principal place of business at 1320 Arthur E. Adams Drive, 3rd Floor, Columbus, OH 43221 (jointly referred hereto as the "Parties"), and it is effective as of the date signed by the State. It amends that certain Master Services Agreement between the Parties dated _____.

Service Overview – (Provide a list of all services available under this Service Attachment. A separate Services Attachment should be used for each major offering or service line of the Service Provider.)

Description of Service – (Provide a detailed description of all services available under the Service Attachment.)

Standard Service Features – (List and provide a description of all service features that are included as part of the standard cost.)

Optional Service Features – (List and provide a description of all service features that are available for an additional charge.)

Fee Structure – (Provide pricing information for all services and Optional Features.)

Terms and Conditions – (List any additional, modified, or deleted Terms and Conditions that are applicable to the services covered by this Service Attachment.)

Equipment Discounts – (Provide information on discounts offered for any equipment required for the service, as applicable.)

Billing Conversion Plan – (Describe the methodology used to ensure that all existing Subscribing Entity(s) receive the rates as outlined in this Service Attachment.)

Additional Information – (Anything not covered by the above sections.)

In Witness Whereof, the Parties have executed this Service Attachment, which is effective on the date the State's duly authorized representative signs it on behalf of the State, ("Effective Date").

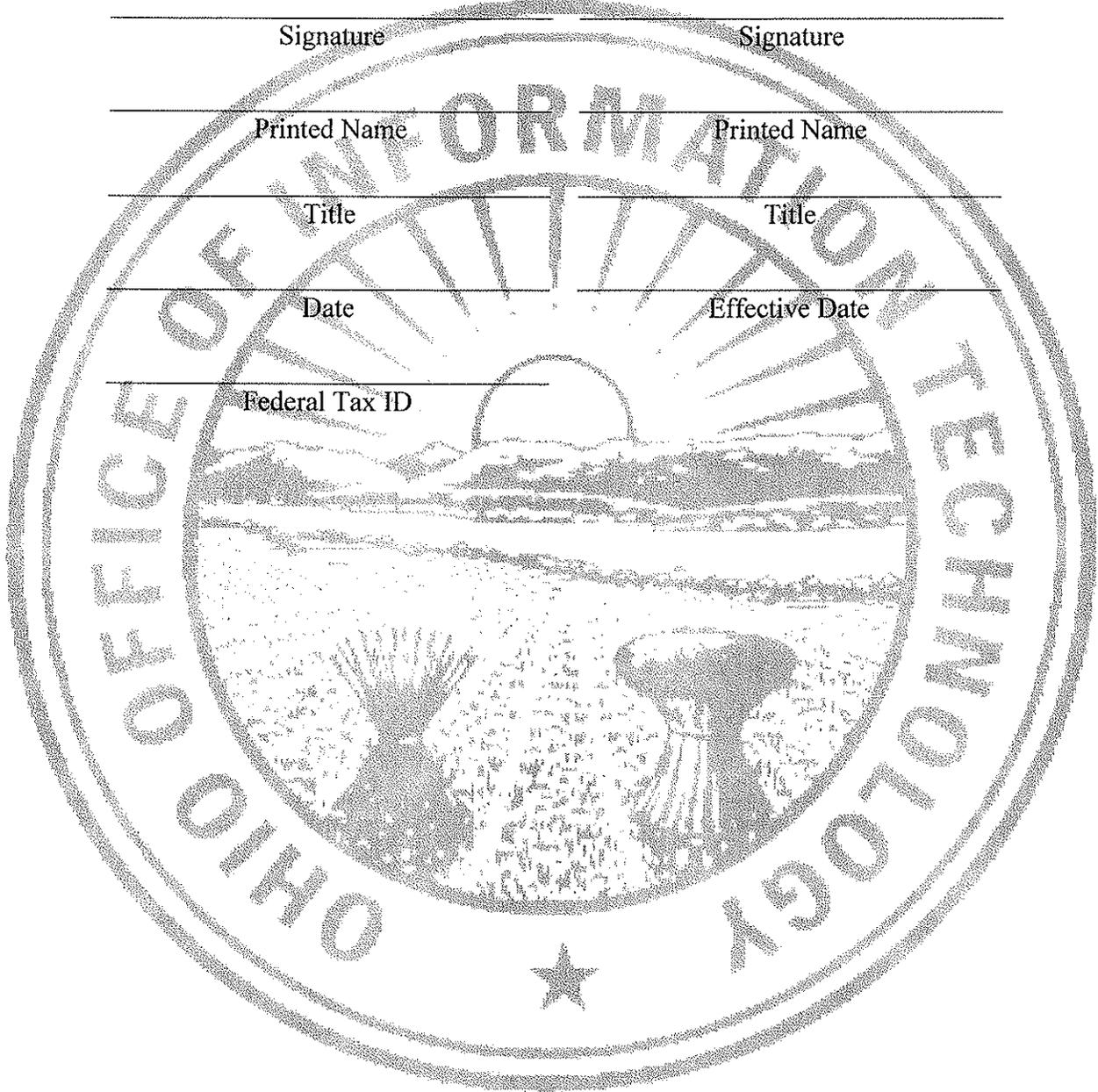
SIGNATURE PAGE TO FOLLOW

Exhibits

SERVICE PROVIDER

**STATE OF OHIO,
DEPARTMENT OF
ADMINISTRATIVE
SERVICES**

Signature	Signature
Printed Name	Printed Name
Title	Title
Date	Effective Date
Federal Tax ID	



Exhibits

EXHIBIT C



TED STRICKLAND
GOVERNOR
STATE OF OHIO

Executive Order 2010-09S

Banning the Expenditure of Public Funds for Offshore Services

1. **Ohio's Economic Vitality Necessitates Constant Vigilance in State Job Creation Efforts.** State officials and employees must at all times remain passionately focused on initiatives that will create and retain jobs in the United States in general and in Ohio, in particular, and must do so especially during Ohio's continuing efforts to recover from the recent global recession.
2. **No Public Funds Should be Spent on Services Provided Offshore.** Allowing public funds to pay for offshore services undermines economic development objectives and any such offshore services carry unacceptable quality and security risks.
 - a. **The Purchase of Offshore Services with Public Funds Undermines Economic Development and Other Job Creation and Retention Objectives.** The expenditure of public funds for services provided offshore deprives Ohioans and other Americans critical employment opportunities. It also undermines efforts to attract businesses to Ohio and retain them in Ohio, initiatives in which the State has invested heavily.
 - b. **The Purchase of Offshore Services Has Unacceptable Business Consequences.** The use of offshore service providers could pose unacceptable data security, and thus privacy and identity theft risks. There are pervasive service delivery problems with offshore providers, including dissatisfaction with the quality of their services and with the fact that services are being provided offshore. It is difficult and expensive to detect illegal activity and contract violations and to pursue legal recourse for poor performance or data security

Exhibits

violations. The State's use of offshore service providers ill-serves the people of Ohio who are the primary consumers of the services provided by the State.

3. **Ohio's Policy Has Been – and Must Continue To Be – That Public Funds Should Not Be Spent on Services Provided Offshore.** Throughout my Administration, procurement procedures have been in place that restrict the purchase of offshore services. Despite these requirements, federal stimulus funds were recently used to purchase services from a domestic company which ultimately provided some of those services offshore. This incident was unacceptable and has caused me, through this Order, to redouble my commitment to ensure that public funds are not expended for offshore services.
4. **Additional Steps Will Ensure that Public Funds Are Not Spent on Services Provided Offshore.** In order to ensure that the State of Ohio makes no expenditures for services provided offshore, I hereby order the following:
 - a. No Cabinet Agency, Board or Commission (Executive Agency) shall enter into any contract which uses any funds within its control to purchase services which will be provided outside the United States. This Order applies to all funds in the custody of an Executive Agency, be they from state, federal, philanthropic or private sources. It applies to all purchases of service made directly by an Executive Agency and services provided by sub-contractors of those providing services purchased by an Executive Agency.
 - b. This Executive Order will be personally provided, by the Director, Chair or other chief executive official of each Executive Agency, to the Chief Procurement Officer or other individual at that entity responsible for contracts for services.
 - c. The Department of Administrative Services, through Ohio's Chief Procurement Officer (OCPO), shall have in place, by August 31, 2010, procedures to ensure all of the following:
 - i. All agency procurement officers, or the person with equivalent duties at each Executive Agency (APOs), have standard language in all Executive Agency contracts which:
 - (a) Reflect this Order's prohibition on the purchase of offshore services.
 - (b) Require service providers or prospective service providers to:

Exhibits

- (i) Affirm that they understand and will abide by the requirements of this Order.
 - (ii) Disclose the location(s) where all services will be performed by any contractor or subcontractor.
 - (iii) Disclose the locations(s) where any state data associated with any of the services they are providing, or seek to provide, will be accessed, tested, maintained, backed-up or stored.
 - (iv) Disclose any shift in the location of any services being provided by the contractor or any subcontractor.
 - (v) Disclose the principal location of business for the contractor and all subcontractors who are supplying services to the state under the proposed contract.
 - ii. All APOs are ensuring that all quotations, statements of work, and other such proposals for services affirm this Order's prohibition on the purchase of offshore services and include all of this Order's disclosure requirements.
 - (a) Any such proposal for services lacking the affirmation and disclosure requirements of this Order will not be considered.
 - (b) Any such proposal where the performance of services is proposed to be provided at a location outside the United States by the contractor or any sub-contractor, will not be considered.
 - iii. All procurement manuals, directives, policies, and procedures reflect the requirements of this Order.
 - iv. All APOs have adequate training which addresses the terms of this Order.
5. **Exceptions.** Nothing in this Order is intended to contradict any state or federal law. In addition, this Order does not apply to:
- a. Services necessary to support the efforts of the Department of Development Global Markets Division to attract jobs and business to the State of Ohio, including incidental services for the support of trade missions, payment of international staff, and services necessary for the operation of international offices.
 - b. Academic, instructional, educational, research or other services necessary to support the international missions of Ohio's public colleges and universities.

Exhibits

6. I signed this Executive Order on August 6, 2010 in Columbus, Ohio and it will not expire unless rescinded.



Ted Strickland

Ted Strickland, Governor

ATTEST:

Jennifer Brunner, Secretary of State