Business Continuity Plan Overview

Introduction
FairPoint Communications, Inc. ("FairPoint") is committed to maintaining a vigilant state of disaster preparedness for the interests of our customers, stockholders, employees and other critical stakeholders.

The purpose of our Business Continuity Plan ("BCP") is to define the disaster preparedness and recovery protocols and procedures required to restore FairPoint’s critical business support functions, inside and outside plant systems and operations within FairPoint's operating footprint.

BCP components detail FairPoint’s procedures for preparing for and responding to an emergency situation affecting our ability to deliver core services to our customers and our ability to meet legal dictates, and regulatory requirements.

This document discusses the following:
- BCP Scope
- BCP Components
- Plan Maintenance

BCP Scope
FairPoint’s business continuity response planning is concentrated on two critical operational areas:

- Customer Interfacing — It is recognized that a "business impact" only occurs when an external-interfacing element is disrupted. In essence, this means that if FairPoint experiences a disruptive event, but one that does not breach the outer-shell of the FairPoint operation and interrupt critical customer services, customer product or other external end-user, then it does not have a business impact, as defined by the BCP.
- Infrastructure Integrity — Without critical infrastructure systems, the ability for all other FairPoint business operations (back / front office) can come to a halt. It is these infrastructure systems that provide the critical human-factor of our customer-interfacing services. Critical infrastructure would address such services / systems as, building space for staff and equipment, service utilities, telecommunications and data network, IT network, and related infrastructure based items.

The BCP has been developed to assure the continuity of critical customer interfacing services and systems should a physical incident or workforce disruption event occur, which affects:

- Information Technology ("IT")
- Administrative and Support Operations
- Inside and Outside Plant Operations
- Network Operations Center ("NOC")
- Enhanced 9-1-1 ("E-911")
- Dispatch
- Repair Center

FairPoint has developed response / recovery strategies addressing physically disruptive incidents and workforce related disruptive incidents. All response strategies are based on recovery time objectives of those department functions and critical infrastructure systems essential to sustain customer interfacing services.
BCP Components
The BCP consists of several components:
- Operational Preparedness for Expected Events (i.e. weather related events)
- Event / Crisis Communication Plan
- Redundancy Mapping
- Department Recovery Plans
- Information Technology Continuity Plan

The following is a brief summary of the plan components.

Operational Preparedness for Expected Events
Weather events such snow, ice and wind can negatively impact power and communications infrastructure. While this threat cannot be eliminated, FairPoint takes steps to mitigate a storm’s impact through preparedness and response. Steps include:
- Pre-event planning based on information provided by National Oceanic and Atmospheric Administration (“NOAA”)
- Coordinate planning and recovery efforts through state emergency management groups
- Engage supply chain vendors to deliver additional stock prior to the expected event
- Inspect, test and fuel emergency generators in anticipation of a power outage
- Reallocate / relocate staff in order to respond to the pending event

Event / Crisis Communication Plan
Communications is a key element to respond and recover business operations. Event / Crisis Communications are facilitated by FairPoint’s Risk Management Team who assume the role of incident command from the onset of the event until normal operations are resumed.

FairPoint uses a dual level communication strategy as part the Event Communication Plan. The primary level is the workgroup comprised of both employees and vendors that are directly involved in the recovery work. The secondary level consists of internal interested parties made up of our Strategic Leadership Team. The role of the secondary level is to facilitate communications both internally and externally regarding the event and our path to response and recovery. For 2014, FairPoint has partnered with SunGard and will be deploying a hosted event communication platform in order increase our speed and reach of communications during an event.

Redundancy Mapping
The process of redundancy mapping reviews operations within the FairPoint organization to identify alternate facilities and work locations that can be used in the event a primary location is not accessible. Given the geographic spread of FairPoint’s Northern New England footprint, capabilities exist to relocate operations from event impacted areas. Through the mapping process, FairPoint is able to identify single points of failure and develop alternative work processes.

Department Recovery Plans
Each department has developed a recovery plan based on its critical operations as they pertain to the deliverables they contribute to our customers. FairPoint has triaged the recovery efforts based on the concept of customer servicing impact. Federal and State regulatory requirements, along with E-911 needs, have a high level of consideration in addition to the business impact concerns. The BCP goal is to minimize the disruption duration as much as is practical and provide a level of risk mitigation that will maintain critical operations. The recovery plans are built around a 24hour to 72hours response plan. This methodology
focuses on the immediate steps that need to be taken to recover functional operations within short duration events (less than 24 hours) and well as long term plans to maintain functionality during an extended event (up to, or greater than 72 hours).

**IT Recovery Plan**
Like most operations, FairPoint is dependent on an IT infrastructure to conduct business and serve customers. Because of its importance, FairPoint has a continuity plan established specifically for IT operations. The IT continuity plan addresses security and access control of data sites, onsite / offsite data backup methods, processes for sequencing of system(s) recoveries and ultimately the use and execution of our established Disaster Recovery Site located outside the FairPoint footprint.

**Plan Maintenance and Exercising**
The BCP is a so called “living” document. Updates to the plan are ongoing with changes incorporated annually at a minimum. Individual plan components are reviewed with oversight from FairPoint’s Risk Management Team. In 2013, FairPoint began the process of migrating the BCP onto a cloud based solution which will allow access to the plan components from any computer, smartphone and tablet.
The pricing of the company’s voice service rate is no more than two standard deviations above the applicable national average urban rate for voice service, as specified in the most recent public notice, FCC DA15-470 released on April 16, 2015.

For Rates See Attachment: (700) Company Price Offerings (voice)
The Telephone Operating Company of Vermont provides a Lifeline Program discount for residence service for eligible low income customers. The Lifeline Program discount is applied to any month to month residence local service, package or bundle offering. The discount is intended to offset the Subscriber Line Charge and local line charge, although eligible packages and bundles may have toll calling included in the pricing for the offering.

The Catalog pages outlining the terms of the Lifeline Program in the Telephone Operating Company of Vermont are attached. The terms and conditions of residential basic local exchange service, package and bundle offerings can be found at http://www.tariffs.net/fairpoint/tier.asp?cid=1644.
1. Catalog Information and General Requirements

1.6 Customer Assistance Programs

<table>
<thead>
<tr>
<th>1.6.1 Lifeline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.</strong> Lifeline provides for a reduction in the monthly rate for one residence basic exchange service line furnished at the principal place of residence to a customer designated by the Vermont Agency of Human Services as qualified for the Lifeline program, provided the service originates and terminates in the exchange normally serving the customer’s premises.</td>
</tr>
<tr>
<td><strong>B.</strong> Liability - The Telephone Company shall not be liable for damages or adjustment for any errors or delays in the application of the rate reduction provided for in the Lifeline program which are not the result of its willful misconduct. In the absence of willful misconduct, the Telephone Company shall not be liable for damages resulting from disclosure or publication to any person of any information pertaining to the customer which the Telephone Company possesses or receives as a result of its administration of the Lifeline program.</td>
</tr>
<tr>
<td><strong>C.</strong> When a reduction is applied to the rate for service for which a monthly cap applies, the cap is also reduced.</td>
</tr>
<tr>
<td><strong>D.</strong> A Lifeline service customer may voluntarily choose to block toll calls and access to Interexchange carriers. Blocking is provided to a Lifeline customer without charge.</td>
</tr>
<tr>
<td>1. An eligible customer who elects toll blocking shall not be required to provide a service deposit to initiate Lifeline credit.</td>
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<td><strong>E.</strong> Effective April 1, 2012, Lifeline customers will no longer receive federal assistance known as Link-Up toward installation of their network access line.</td>
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Vermont Catalog

Telephone Operating Company of Vermont LLC
d/b/a FairPoint Communications

1. Exchange and Network Services

1.1 Catalog Information and General Requirements

<table>
<thead>
<tr>
<th>ID</th>
<th>Service Category</th>
<th>Rate Element</th>
<th>Rate</th>
<th>USOC</th>
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<tbody>
<tr>
<td>Lifeline</td>
<td>Note: Basic Exchange Service - Residence - Nonoptional measured - Reduction in monthly rate of 50% of the basic exchange rate, with a minimum of $7.00</td>
<td>See Note</td>
<td></td>
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<tr>
<td>Lifeline</td>
<td>Note: Basic Exchange Service - Residence - Nonoptional measured - Reduction in monthly cap of 50% of the basic exchange rate, with a minimum of $7.00</td>
<td>See Note</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lifeline</td>
<td>Note: Customers subscribing to FairPoint Local Voice Plan, FairPoint Local Premier, FairPoint Reach Plan Premium, FairPoint Reach Plan will receive the equivalent credit as Basic Exchange Service Residence - Nonoptional measured customers.</td>
<td>See Note</td>
<td></td>
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<tr>
<td>Lifeline</td>
<td>Note: Recurring Reduction - Applied to basic exchange monthly rate</td>
<td>See Note</td>
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1.1.2 Payment Plans

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<th>ID</th>
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<th>Rate Element</th>
<th>Rate</th>
<th>USOC</th>
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</thead>
<tbody>
<tr>
<td>Two Tier Rate Plan</td>
<td>Transfer of Service - NRC</td>
<td>140.00</td>
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<td>Two Tier Rate Plan</td>
<td>Conversion to Two Tier Rate Plan</td>
<td>12.40</td>
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March 31 Effective: March 29, 2013

Michael K. Smith
State President - VT
Please use this tab to report Geocoded Information.

<table>
<thead>
<tr>
<th>Census block Information (Federal Information Processing Standard (FIPS) code)</th>
<th>NECA assigned operating company code (OCN)</th>
<th>Study Area Code (SAC)</th>
<th>Common Language Location Identifier (CLLI) code</th>
<th>Latitude (to six decimal places)</th>
<th>Longitude (to six decimal places)</th>
<th>CAF Phase 1 - Round 1 or Round 2</th>
<th>Indicating whether you are reporting Year 2 or Year 3 (please report each year separately)</th>
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