

CONDITIONAL GUARANTY AGREEMENT

THIS AGREEMENT is made this day of _____, 2010, between the Jurisdictions, the Guarantor, and the Grantee. For the purpose of this Agreement, the terms “Jurisdictions”, “Guarantor” and “Grantee” have the meanings given in this Agreement below:

WITNESSETH

WHEREAS, the Cities of Gresham, Troutdale, Fairview and Wood Village, Oregon, (the “Jurisdictions”) have negotiated a cable franchise agreement (the “Franchise”) with Verizon Northwest Inc. (the “Grantee”), to operate and maintain a cable television system (the “Cable System”); and

WHEREAS, Frontier Communications Corporation (the “Guarantor”) has proposed to become the ultimate parent company of the Grantee, and has filed a formal written request seeking approval of the proposed transfer by the Jurisdictions as required by federal law (FCC Form 394); and

WHEREAS, the Jurisdictions have submitted Requests for Information to the Guarantor and the Grantee in performance of their review of the Grantee’s legal, financial and technical qualifications to perform its obligations under the Franchise following the proposed transfer, and the Guarantor and the Grantee have responded to the Jurisdictions’ Requests by providing additional information; and

WHEREAS, in response to requests by the Jurisdictions following their review, the Guarantor has agreed to provide this conditional guaranty in order to induce the Jurisdictions to approve the transfer of control of the Franchise and the Grantee from Verizon Communications Inc. to Frontier Communications Corporation;

NOW, THEREFORE, in consideration of the foregoing, the Guarantor agrees:

1. If either (1) the Grantee’s EBITDA (defined as operating income plus depreciation and amortization) less Capital Expenditures (as defined in accordance with U.S. generally accepted accounting principles (or such other standards which the Securities and Exchange Commission from time to time requires public companies to follow)) falls below \$25,000,000 at the end of any fiscal year (it being understood that the calculation of EBITDA, less Capital Expenditures, will be certified annually by Grantee’s Chief Financial Officer in a certificate delivered within 90 days of the fiscal year-end, and which shall include a schedule showing the calculation and shall also have attached financial statements of the Grantee prepared in accordance with U.S. generally accepted accounting principles (or such other standards which the Securities and Exchange Commission from time to time requires public companies to follow), and including a statement of operations, balance sheet, and a statement of cash flows, but not including Management Discussion and Analysis or other notes, which

have been audited or reviewed by Grantee's independent certified public accountants, or which have been certified by the Chief Financial Officer of the Grantee based on company books and records); however, if audited or reviewed financial statements are readily available for the Grantee and provided as agreed herein, such statements shall include all explanatory materials, including notes, as have been prepared, but otherwise such explanatory materials need not be provided; or (2) if the Irrevocable Letter of Credit provided by the Grantee in connection with this transfer of control from Verizon Communications Inc. to Frontier Communications Corporation is not satisfactorily maintained throughout the Franchise term, subject to a grace period of 30 days to restore a Letter of Credit that has expired or otherwise terminated, in the agreed upon amount of \$250,000, then Guarantor shall irrevocably comply with paragraphs 2 through 4 below for the remainder of the Franchise term. Otherwise, paragraphs 2 through 4 below shall not be of any effect.

In addition to the annual financial statements provided to the Jurisdictions in accordance with this paragraph, Grantee will provide contemporaneous written notice to the Jurisdiction of any transactions defined in Franchise Section 12.2 as being exempt from formal review by the Jurisdictions as a transfer of the Franchise under federal law. Grantee will also annually provide the Jurisdictions with a copy of the public versions of the annual reports that it files with the state utility regulatory agencies in Oregon and Washington.

2. The Guarantor hereby unconditionally guarantees the timely and full performance of any and all obligations of Grantee contained in the Franchise. In the event Grantee for any reason fails to perform those obligations, the Guarantor agrees to perform or cause to be performed those obligations on Grantee's behalf immediately upon written demand by the Jurisdictions.
3. This guaranty is an absolute, continuing, and unlimited performance guaranty of the Franchise by the Grantee. The Jurisdictions shall not be obliged to proceed first against the Grantee or any other person, firm or corporation.
4. The Guarantor waives notice of acceptance of this guaranty and further waives protest, presentment, demand for performance or notice of default to the Guarantor, except the written notice required in paragraph 2 above. The Jurisdictions have no duty beyond the required written notice in paragraph 2 above to advise the Guarantor of any information known to them regarding Grantee's performance of its Franchise obligations. This waiver, however, shall not be deemed a waiver of any requirement of the Franchise as to notice to the Grantee.
5. The Jurisdictions' failure to require strict performance of the Franchise shall not release the Guarantor from liability under this Agreement.

6. This Agreement, unless terminated, substituted or canceled, as provided herein, shall remain in full force and effect for the duration of the term of the Franchise. This Agreement and the guaranty made hereunder are contingent upon and subject to the closing of the transaction by which control of the Grantee is transferred to the Guarantor. If control of the Grantee is subsequently transferred away from the Guarantor with the approval of the Jurisdictions, the guaranty shall terminate at that time.

7. The Guarantor may propose substitution of another Guarantor to perform the obligations of this Agreement. If the Jurisdictions find the proposed substitute Guarantor reasonably satisfactory, another Guaranty Agreement may be substituted upon mutual agreement of the Jurisdictions and the Guarantor. Such substitution shall not affect liability incurred or accrued under this agreement prior to the effective date of such substitution. Following the jurisdictions' acceptance of the substitute Guarantor, no claim, suit or action under this Agreement by reason of any default of the Grantee shall be brought against the original Guarantor unless asserted or commenced within one year after the effective date of such substitution of the Agreement, and only to the extent it relates to a liability incurred or accrued prior to the effective date of the substitution.

8. Any notices given pursuant to this agreement shall be in writing and delivered personally to the following addresses or deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the Guarantor and the Grantee at: Senior Vice President and General Counsel, Frontier Communications Corporation, 3 High Ridge Park, Stamford, Connecticut 06905, and to the Jurisdictions at: Office of Cable Communications and Franchise Management, Room 1305, 1120 S.W. Fifth Avenue, Portland, Oregon 97204. Either party may change its address for notices by giving notice of the new address in the manner provided in this paragraph.

9. Definitions: For purposes of this Agreement, the following terms are defined as indicated below:
 - (A) Grantee: Verizon Northwest Inc., or its lawful successors;
 - (B) Guarantor: Frontier Communications Corporation;
 - (C) Franchise: Cable Franchise Agreement granted by the Jurisdictions to Grantee, including all documentation of any conditions of grant, renewal or transfer.

IN WITNESS WHEREOF, the Grantee, the Jurisdictions, and Guarantor have entered into this Agreement on the day of _____, 2010.

Guarantor: Frontier Communications Corporation
 By: _____
 Title: _____

State of _____)
) ss.
County of _____)

This Agreement was acknowledged before me on the day of _____, 2010, by _____, as a duly authorized officer of Frontier Communications Corporation.

Notary Public for: _____

My Commission Expires: _____

Grantee: Verizon Northwest Inc. or its successors
By: _____
Title: _____

State of _____)
) ss.
County of _____)

This Agreement was acknowledged before me on the day of _____, 2010, by _____, as a duly authorized officer of Verizon Northwest Inc. or its successors.

Notary Public for: _____

My Commission Expires: _____

Jurisdictions: Gresham, Troutdale, Fairview and Wood Village
By: _____
Title: _____

State of _____)
) ss.
County of _____)

This Agreement was acknowledged before me on the day of _____, 2010, by _____, as a duly authorized representative of the Jurisdictions.

Notary Public for: _____

My Commission Expires: _____