



Verizon Northwest Inc.

P.O. Box 1003 Everett, WA 98206-1003 Fax: 425-261-5262

June 27, 2006

Ms. Carole J. Washburn,
Executive Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
Olympia, Washington 98504

Subject:

**AFFILIATED INTEREST AGREEMENT - ADVICE NO. 279** 

Dear Ms. Washburn:

Enclosed for filing with the Commission is a verified copy of a Verizon Partner Solutions Master Services Agreement between Verizon Services Corp. on behalf of Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Global Networks Inc. At this time, the agreement will not result in any services being provided by Verizon Northwest Inc. (see Attachment A to Appendix 2).

Please call me at 425-261-5006 if you have any questions.

Very truly yours, Welland E. Heller

Richard E. Potter

Director

Public Affairs, Policy & Communications

**Enclosure** 

#### **VERIFICATION OF AFFILIATED INTEREST AGREEMENT**

I verify that the enclosed is a true copy of a Verizon Partner Solutions Master Services Agreement between Verizon Services Corp. on behalf of Verizon telephone operating companies, including Verizon Northwest Inc., and Verizon Global Networks Inc.

Richard S. Pette Date: 6-27-06

Richard E. Potter

Director

Verizon Northwest Inc.

# VERIZON PARTNER SOLUTIONS MASTER SERVICES AGREEMENT

#### GENERAL TERMS AND CONDITIONS

## THIS VERIZON PARTNER SOLUTIONS MASTER SERVICES AGREEMENT

(this "Agreement") is entered into by and between Verizon Services Corp., on behalf of the Verizon operating telephone companies identified on Attachment 1 hereto (individually and collectively, "Verizon"), and Verizon Global Networks Inc. ("VGNI" or "Customer") (each individually, a "Party," and collectively, the "Parties") as of the date set forth on the signature page hereto (the "Effective Date").

In consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be bound, hereby agree as follows:

## 1. Composition of Agreement; Services to be Provided Under Agreement

This Agreement is comprised of the General Terms and Conditions, the Attachments thereto and the terms of Verizon's applicable tariffs (i.e., Verizon's FCC Tariffs Nos. 1, 11, 14, 16 and 20; individually and, collectively, the "Tariffs"), which Tariff terms and conditions are hereby incorporated by reference. Verizon agrees to provide and Customer agrees to accept and pay for those services ("Services") as may be requested by Customer and accepted by Verizon, all as more particularly described in Attachment 2 hereof (and in any Attachments for other Services that the Parties agree to include as part of this Agreement after the Effective Date hereof) and, subject to, the terms of this Agreement. The Services may be requested by Customer, and will be made available upon reasonable notice to the applicable Verizon operating telephone company(ies) set forth on Attachment 1 hereto, in those service territories where such Services are or can be made available with reasonable effort. In the event of a conflict between the General Terms and Conditions, the Attachments thereto and/or applicable Tariffs, the following order of precedence shall prevail (with "1" being the highest order of precedence): (1) the General Terms and Conditions; (2) the applicable Attachment thereto; and (3) the applicable Tariffs.

#### 2. Rates and Charges

Customer will pay the rates and charges (and satisfy all other requirements) set forth in this Agreement (including, without limitation, the rates and charges set forth in the Attachments hereof), together with all applicable, taxes, fees, charges and the like assessed pursuant to Applicable Law (as defined below), regulations, or Tariffs in connection with the Services. Such taxes, fees, charges and/or the like are subject to change without notice to Customer.

#### 3. Unenforceability of Provisions

Subject to Section 15.2 hereof, the invalidity or unenforceability of any provision of this Agreement or portion thereof does not affect the validity or enforceability of any other provision or portion. Subject to section 15.2 hereof, if any provision or portion of this Agreement is deemed invalid or unenforceable for any reason, there shall be deemed to be made such minimum change in such provision or portion as is necessary to make it valid and enforceable as so modified in order to give effect to the intent of the Parties; provided, however, that if the making of such minimum change is not feasible or not practical under the circumstances, said provision or portion thereof shall be ineffective to the extent of such invalidity or unenforceability only, without affecting in any way the remaining parts of said provision or the remaining provisions of this Agreement.

#### 4. Entire Agreement; Modifications in Writing

This Agreement constitutes the entire understanding and agreement between the Parties with respect to the Services, supersedes all prior or contemporaneous agreements, understandings, or representations (oral or written), relating thereto, and merges all prior discussions between the Parties. Any orders previously placed under Tariffs for the Services shall, as of the Effective Date, be governed by the terms of this Agreement, and Customer acknowledges and agrees that any and all amounts and obligations owed to Verizon for Services provisioned or orders placed under Tariff shall be due and owing under this Agreement and be governed by the terms and conditions of this Agreement as if such Services or orders had been provisioned or placed under this Agreement. No representations or warranties, express or implied, have been made or relied upon in the making of this Agreement other than those contained in this Agreement. No modification of this Agreement or subsequent agreement between the Parties concerning the Services shall be effective or binding unless it is made in writing and signed by an authorized representative of each Party.

#### 5. Term and Termination

- 5.1 This Agreement shall be effective as of the Effective Date and, unless cancelled or terminated earlier in accordance with the terms hereof, shall continue in effect until May 31, 2011, (the "Initial Term"). Thereafter, this Agreement shall be automatically renewed for successive two (2) year periods (each such period, an "Additional Term" and, together with the Initial Term, the "Term") unless and until cancelled or terminated as provided in this Agreement. Notwithstanding the foregoing, this Agreement is subject to termination by either Party upon one hundred eighty (180) days prior written notice to the other Party. Additionally, Service-specific terms are set forth in the Attachments. Any Service-specific term commitments that extend beyond the Term will continue after the end of the Term in accordance with the provisions of the applicable Attachments, and commitments made during the Term shall survive the Agreement. The terms of this Agreement will continue to apply to all Services with Service-specific term commitments that extend beyond the Term.
- 5.2 The rates and charges set forth in the Attachments of this Agreement are established in consideration of and may be contingent upon Customer's agreement to purchase a minimum amount/volume of Services during each year/quarter/month of the Service-specific term set forth in the applicable Attachment. If Customer cancels or causes the termination of this Agreement or any Services provided hereunder prior to expiration of the applicable Service-specific term, Customer shall be required to promptly pay to Verizon termination and/or underutilization charges as set forth in the applicable Attachment, in addition to all other amounts already owed.
- 5.3 Verizon may terminate, suspend, or limit use of any Services provided under this Agreement without liability and with notice as required by law to Customer, for the following reasons: (a) the Service is being used in violation of any applicable federal, state, or local law, ordinance or regulation; (b) the Services are being used in an unauthorized or fraudulent manner; (c) the use of the Services adversely affects Verizon's equipment or its service to others; (d) a court or other governmental authority having jurisdiction issues an order prohibiting Verizon from furnishing the Services to Customer; or (e) Customer fails to timely pay any charges for Services provided by Verizon (except for charges that are subject to a bona fide dispute).

#### 6. Applicable Law; Construction

- 6.1 The construction, interpretation and performance of this Agreement shall be governed by the laws of the State of New York, without regard to its conflicts of laws rules. All disputes relating to this Agreement shall be resolved through the application of such laws. Verizon and Customer each irrevocably consents to the personal and subject matter jurisdiction of the courts located in the Borough of Manhattan, State of New York to the extent necessary to give effect to or to enforce the provisions of this Agreement, and waives any defense of lack of jurisdiction, improper venue or inconvenient forum.
- 6.2 Each Party and the Service(s) shall remain in compliance with all effective laws, government regulations and government orders, applicable to each Party's performance of its obligations under this Agreement. Interstate services shall be subject to the jurisdiction of the applicable laws of the United States, including without limitation, the Communications Act of 1934, as amended by the Telecommunications Act of 1996, and as amended from time to time (the "Act"), and orders, decrees, rules, and regulations of the FCC and courts of competent jurisdiction. The foregoing shall be referred to collectively as "Applicable Law."
- 6.3 Each Party shall promptly notify the other Party in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.
- 6.4 No rule of construction requiring interpretation against the drafting Party hereof shall apply in the interpretation of this Agreement.

#### 7. Use of ACNAs

Customer represents and warrants that it has exclusive ownership (and thereby has the right to utilize) the ACNAs set forth on Attachment 1. Based on such representation and warranty, the Parties shall use such ACNAs in administering the terms of this Agreement.

#### 8. Assurance of Payment

- 8.1 Customer's execution of this Agreement signifies Customer's acceptance of Verizon's initial and continuing credit approval procedures and policies. Verizon reserves the right to withhold initiation or full implementation of any or all Services under this Agreement pending Verizon's initial satisfactory credit review and approval thereof which may be conditioned upon terms specified by Verizon, including, but not limited to, security for payments due hereunder as provided in this Section 8. At any time and from time to time based on the conditions set forth in this Section 8, Verizon may request, and Customer shall provide to Verizon, adequate assurance of payment of amounts due and payable (or to become due and payable) to Verizon hereunder.
- 8.2 Verizon may request, and Customer shall provide, assurance of payment of charges if Customer (a) prior to the Effective Date, has failed to timely pay an Invoice (as such term is defined in Section 11) rendered to Customer by Verizon or any of its Affiliates (as defined in the Act), (b) on or after the Effective Date, fails to timely pay an Invoice rendered to Customer by Verizon or its Affiliates, (c) on or after the Effective Date is unable to demonstrate that it is creditworthy to Verizon's reasonable satisfaction, (d) on or after the Effective Date, defaults in a material obligation to Verizon under this Agreement or any other agreement with Verizon, (e) on or after the Effective Date, is acquired (whether in whole or by majority or controlling interest) by an entity that is insolvent, that is subject to bankruptcy or insolvency proceedings, that owes past due amounts to Verizon or any of its Affiliates or that is a materially greater credit risk than Customer, or (f) is unable to pay its debts as such debts become due and payable, has commenced a voluntary case (or has had a case commenced against it) under the U.S. Bankruptcy Code or any

other law relating to bankruptcy, insolvency, reorganization, winding-up, composition or adjustment of debts or the like, has made an assignment for the benefit of creditors or is subject to a receivership or similar proceeding.

- 8.3 Unless otherwise agreed in writing by the Parties, the assurance of payment shall consist of an unconditional, irrevocable standby letter of credit naming Verizon as the beneficiary thereof and otherwise in form and substance satisfactory to Verizon from a financial institution acceptable to Verizon in its sole discretion. Such letter of credit shall be in an amount equal to three (3) months anticipated charges (including both recurring and non-recurring charges), as reasonably determined by Verizon, for the Services to be provided by Verizon to Customer in connection with this Agreement. If Customer meets the condition in subsection 8.2(f) above or has failed to timely pay two (2) or more Invoices rendered by Verizon or a Verizon Affiliate in any twelve (12)-month period, Verizon may, in its sole discretion, demand (and Customer shall provide) additional assurance of payment, consisting of monthly advanced payments of estimated charges as reasonably determined by Verizon, with appropriate true-up against actual invoiced charges no more frequently than once per calendar quarter.
- 8.4 Verizon may (but shall not be obligated to) draw upon the letter of credit upon notice to Customer in respect of any amounts to be paid by Customer hereunder that are not paid within thirty (30) days of the date that payment of such amounts is required by this Agreement.
- 8.5 If Verizon draws upon the letter of credit, upon request by Verizon, Customer shall provide a replacement or supplemental letter of credit conforming to the requirements of Section 8.3.
- 8.6 Should Customer fail to provide assurance of payment as required by this Section 8, such failure shall constitute an act of material breach. Without limiting any other rights or remedies to which Verizon may be entitled as a result of such material breach, Verizon shall have no obligation to perform under this Agreement until such time as Customer has provided Verizon with the required assurance of payment.
- 8.7 The fact that a letter of credit is requested by Verizon hereunder shall in no way relieve Customer from its obligation to comply with the requirements of this Agreement as to advance payments and payment for the Services, nor shall such request constitute a waiver or modification of the terms herein pertaining to the discontinuance of the Services for nonpayment of any amounts payment of which is required by this Agreement.
- 8.8 If at any time there is a material adverse change in Customer's creditworthiness, then in addition to any other remedies available to Verizon, Verizon may elect, in its sole discretion, to exercise one or more of the following remedies: (a) cause start of service for Services described in a previously executed service request to be withheld; (b) cease providing Services in accordance with Section 14 below; and/or (c) decline to accept a service request or other requests from Customer to provide Services that Verizon may otherwise be obligated to accept. An adverse material change in Customer's creditworthiness shall include, but not be limited to, those items set forth in Section 8.2 above.

#### 9. Authorization

Notwithstanding any other provision of this Agreement, Verizon shall have no obligation to perform under this Agreement until such time as Customer has obtained such Federal Communication Commission ("FCC") and state utility commission authorizations as may be required by Applicable Law for conducting business in the states where Customer intends to

purchase the Services. Customer shall provide proof of such authorization to Verizon upon request. In the event Customer is prohibited, either on a temporary or permanent basis, from continuing to conduct its telecommunications operations in a given jurisdiction, Customer shall (a) immediately notify Verizon by facsimile, (b) send written notice to Verizon within twenty-four (24) hours of such prohibition, and (c) take immediate steps to suspend or discontinue its use of Services in such jurisdiction.

#### 10. Ordering and Repair Processes

Customer shall order Services from Verizon using the same ordering processes and systems interfaces previously used with Verizon in connection with similar service arrangements and associated features for purposes of pre-order, order, maintenance and repair functions. If Verizon should change such processes, such changed processes shall apply to Customer; provided, however, that any such changes affecting Operations Support Systems ("OSS") interfaces shall be communicated in advance of their implementation. Customer shall use Verizon's electronic operations support system access platforms to submit orders (i.e., ASRs) for provisioning, maintenance and repair of the Services. If Verizon has not yet deployed an electronic capability for Customer to perform a provisioning, maintenance or repair transaction offered by Verizon, Customer shall use such other processes as Verizon has made available for performing such transaction.

#### 11. Invoices and Payment; Disputed Amounts

- 11.1 Verizon shall submit to Customer on a monthly basis a statement(s) of charges incurred by Customer under this Agreement in itemized form (an "Invoice"). The Invoice shall be transmitted, at Verizon's option, in paper in accordance with Section 25 hereof or, alternatively, electronically in an industry standard format. Customer shall have the capability to receive the Invoice electronically. Under no circumstances shall Verizon be obligated to provide paper invoicing. All Invoices shall be transmitted to the location designated by Customer. Customer must notify Verizon of any change in the location to which such Invoices are to be transmitted within five (5) Business Days (as defined below) of such change in location. For purposes of this Agreement, "Business Day" shall mean each Monday through Friday, except for holidays observed by Verizon.
- 11.2 Customer shall pay all amounts due and payable under this Agreement in immediately available U.S. funds, on or before the later of the following dates (the "Due Date"): (a) the due date specified in the Invoice; or (b) twenty (20) days after the date the electronic bill is received by Customer (as evidenced by the electronic transmission records). Payments shall be transmitted by electronic funds transfer (EDI, ACH or Wire).
- 11.3 If any portion of an amount invoiced to Customer under this Agreement is subject to a bona fide dispute between the Parties, Customer shall give written notice to Verizon of such amounts it disputes ("Disputed Amounts") through the Verizon claims submission process and include in such notice the specific details and reasons for disputing each item. Customer shall undertake a reasonable, good faith effort to review an Invoice received from Verizon under this Agreement within thirty (30) days following the Due Date to determine whether there are any Disputed Amounts. Nothing contained herein will limit Customer's right to dispute amounts at any time following thirty (30) days after the applicable Due Date, provided, however, Verizon shall not be obligated to consider any Customer notice of billing discrepancies that is received by Verizon more than sixty (60) days following the applicable Due Date of the invoice in question. Customer

shall pay on or before the Due Date all amounts that are not subject to a bona fide dispute of which Customer has given written notice in accordance with the terms of this Section.

- 11.4 Charges due to Verizon that are not paid on or before the Due Date shall be subject to a late payment charge. The late payment charge shall be calculated utilizing a rate of one-and-one-half percent (1.5%) of the overdue amount (including any unpaid previously billed late payment charges) per month. No late payment charge shall apply to Disputed Amounts that are allowed by Verizon through the claims submission process or to Disputed Amounts not owed to Verizon after resolution of the dispute in accordance with Section 6 above.
- 11.5 Although it is the intent of Verizon to submit timely Invoices, failure by Verizon to present Invoices to Customer in a timely manner shall not constitute a breach or default, or a waiver of the right to payment of the incurred charges, by Verizon under this Agreement, and, except for assertion of a provision of Applicable Law that limits the period in which a suit or other proceeding can be brought before a court or other governmental entity of appropriate jurisdiction to collect amounts due, Customer shall not be entitled to dispute Verizon's statement(s) based on Verizon's failure to submit them in a timely fashion.
- 11.6 If Customer fails to pay any amounts when due pursuant to this Section 11, such failure shall constitute an act of material breach.

#### 12. Confidential Information

- 12.1 <u>Confidential Information</u>. The Parties understand and agree that the terms and conditions of this Agreement, all documents referenced herein (including invoices to Customer for Services provided hereunder), communications between the Parties regarding this Agreement or the Services to be provided hereunder (including price quotes to Customer for any Services proposed to be provided or actually provided hereunder), as well as such information relevant to any other agreement between the Parties (collectively, "Confidential Information"), are confidential.
- 12.2 <u>Limited Disclosure</u>. A Party shall not disclose Confidential Information to any third party; provided, however, that a Party may disclose such Confidential Information to a third party (a) to the extent required pursuant to legal process, (b) in order to protect its rights in connection with a legal, arbitral, legislative or regulatory proceeding or (c) to a Party's agents, attorneys, consultants, brokers, lenders, insurance carriers or bona fide prospective purchasers who have specifically agreed in writing to nondisclosure of the terms and conditions hereof. Any disclosure hereof required by legal process or to protect a party's rights in connection with a legal, arbitral, legislative or regulatory proceeding shall only be made after providing the non-disclosing Party with notice thereof in order to permit the non-disclosing Party to seek an appropriate protective order. Violation by a Party or its agents of the foregoing provisions shall entitle the non-disclosing Party, at its option, to obtain injunctive relief without a showing of irreparable harm or injury and without bond. For the avoidance of any doubt, Confidential Information does not include any information that a Party discloses publicly.
- 12.3 <u>Survival of Confidentiality</u>. The provisions of this Section 12 will be effective as of the Effective Date of this Agreement and remain in full force and effect after the termination or expiration of this Agreement.

#### 13. Counterparts

. . . . . . . .

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

#### 14. Default

Should any act or omission of a Party constitute a material breach of this Agreement, and the defaulting Party fail to cure such material breach within thirty (30) calendar days of receiving a written default notice from the injured Party or, in the case of the failure to pay any amount when due hereunder, five (5) Business Days, then without limiting any other rights and remedies to which it may be entitled at law or in equity, the injured Party may (a) suspend the provision of any services it provides hereunder (including, where Customer is the defaulting Party, the provision of Services by Verizon), or (b) cancel this Agreement and terminate the provision of any services it provides hereunder (including, where Customer is the defaulting Party, the provision of Services by Verizon).

#### 15. Regulatory Requirements

- 15.1 <u>Detariffing</u>. If, during the Term of this Agreement, Verizon withdraws the Tariff provisions relating to services that are reasonably comparable to the Services, the effectiveness of this Agreement shall not be affected by such withdrawal, and the applicable terms of the Tariffs in effect immediately prior to such withdrawal shall, to the extent not inconsistent with the terms of this Agreement, continue to be deemed to be incorporated by reference into this Agreement and shall continue to apply to the provision of the Services to the same extent as such Tariff terms and conditions applied hereunder prior to such detariffing.
- Legislative or Regulatory Change. In the event of a Regulatory Change, Verizon may pursue any remedies available to it under this Agreement, at law, in equity, or otherwise, including, but not limited to termination or voidance of this Agreement, or any portion hereof. To the extent feasible, Verizon shall provide to Customer fifteen (15) days advance notice of such termination. "Regulatory Change" shall mean any legislative, regulatory, judicial, or other governmental decision, order, determination, complaint (whether formal or informal) or action, a potential claim or challenge by a third party, or any change in Applicable Law that affects any term or condition set forth in this Agreement, or otherwise prohibits or interferes (or could potentially prohibit or interfere) with Verizon's ability to offer the Services, or prohibits or interferes (or could potentially prohibit or interfere) with Verizon's performance under this Agreement.

### 16. Force Majeure

Neither Party shall be responsible for any delay or failure in performance, which results from causes beyond its reasonable control ("Force Majeure Events"), whether or not foreseeable by such Party. Such Force Majeure Events include adverse weather conditions, flood, fire, explosion, earthquake, volcanic action, power failure, embargo, boycott, war, revolution, civil commotion, acts of terrorism, acts of public enemies, labor unrest (including strikes, work stoppages, slowdowns, picketing or boycotts), inability to obtain equipment, parts, software or repairs thereof, acts or omissions of the other Party, and acts of God. Notwithstanding the foregoing, in no case shall a Force Majeure Event excuse either Party from an obligation to pay money as required by this Agreement. Nothing in this Agreement shall require the non-performing Party to settle any labor dispute except as the non-performing Party, in its sole discretion, determines appropriate.

#### 17. Warranties

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, VERIZON MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES PROVIDED,

OR TO BE PROVIDED, UNDER THIS AGREEMENT. VERIZON SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, , NONINFRINGEMENT OF THIRD-PARTY RIGHTS, OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. NEITHER PARTY IS LIABLE TO THE OTHER FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE OR LOST BUSINESS, REVENUE, PROFITS, OR GOODWILL, ARISING IN CONNECTION WITH THIS AGREEMENT, UNDER ANY THEORY OF TORT, CONTRACT, INDEMNITY, WARRANTY, STRICT LIABILITY, NEGLIGENCE OR OTHERWISE, EVEN IF THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

#### 18. Good Faith Performance

The Parties shall act in good faith in their performance of this Agreement. Except as otherwise expressly stated in this Agreement (including where consent, approval, agreement or a similar action is stated to be within a Party's sole discretion), where consent, approval, mutual agreement or a similar action is required by any provision of this Agreement, such action shall not be unreasonably withheld, conditioned or delayed.

#### 19. Headings

The headings used in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement.

#### 20. Indemnification

- 20.1 Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other Party, each of the other Party's Affiliates and the directors, officers, employees and agents of the foregoing (each such person, an "Indemnitee") from and against any and all Third Party Claims (as defined below) that arise out of bodily injury to or death of any Person (as defined below), or damage to, or destruction or loss of, tangible real and/or personal property of any Person, to the extent such injury, death, damage, destruction or loss, was proximately caused by the grossly negligent or intentionally wrongful acts or omissions of the Indemnifying Party, the Indemnifying Party's Affiliates, or the directors, officers, employees, agents or contractors (excluding the Indemnitee) of the Indemnifying Party or the Indemnifying Party's Affiliates, in connection with this Agreement. For purposes of this Agreement, "Third Party Claims" shall mean a Claim (as defined below) where there is (a) a claim, demand, suit or action by a Person who is not a Party (a "Third Party"), (b) a settlement with, judgment by, or liability to, a Third Party, or (c) a fine or penalty imposed by a Third Party. For purposes of this Agreement, "Person" shall have the meaning set forth in the Act.
- 20.2 An Indemnifying Party's obligations under Section 20.1 shall be conditioned upon the following:
  - 20.2.1 The Indemnitee: (a) shall give the Indemnifying Party written notice of the Third Party Claim promptly after becoming aware thereof (including a statement of facts known to the Indemnitee related to the Claim and an estimate of the amount thereof); (b) prior to taking any material action with respect to a Third Party Claim, shall consult with

the Indemnifying Party as to the procedure to be followed in defending, settling, or compromising the Claim; (c) shall not consent to any settlement or compromise of a Third Party Claim without the written consent of the Indemnifying Party; (d) shall permit the Indemnifying Party to assume the defense of a Third Party Claim (including, except as provided below, the compromise or settlement thereof) at the Indemnifying Party's own cost and expense. For purposes of this Agreement, "Claim" shall mean any and all claims, demands, suits, actions, settlements, judgments, fines, penalties, liabilities, injuries, damages, losses, costs (including court costs), expenses and the like (including reasonable attorney's fees).

- 20.2.2 If the Indemnitee fails to comply with Section 20.2.1 with respect to a Claim, to the extent such failure shall have a material adverse effect upon the Indemnifying Party, the Indemnifying Party shall be relieved of its obligation to indemnify, defend and hold harmless each Indemnitee with respect to such Claim under this Agreement.
- 20.2.3 Subject to Sections 20.2.4 and 20.2.5, below, the Indemnifying Party shall have the authority to defend and settle any Third Party Claim.
- 20.2.4 With respect to any Third Party Claim, the Indemnitee shall be entitled to participate with the Indemnifying Party in the defense of the Claim if the Claim requests equitable relief or other relief that could affect the rights of the Indemnitee. In so participating, the Indemnitee shall be entitled to employ separate counsel for the defense at the Indemnitee's expense. The Indemnitee shall also be entitled to participate, at its own expense, in the defense of any Claim, as to any portion of the Claim as to which it is not entitled to be indemnified, defended, and held harmless by the Indemnifying Party.
- 20.2.5 In no event shall the Indemnifying Party settle a Third Party Claim or consent to any judgment with regard to a Third Party Claim without the prior written consent of the Indemnitee, which shall not be unreasonably withheld, conditioned or delayed. In the event the settlement or judgment requires a contribution from or affects the rights of an Indemnitee, the Indemnitee shall have the right to refuse such settlement or judgment with respect to itself and, at its own cost and expense, take over the defense against the Third Party Claim, provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify or hold harmless the Indemnitee against, the Third Party Claim for any amount in excess of such refused settlement or judgment.
- 20.2.6 The Indemnitee shall, in all cases, assert any and all provisions in applicable tariffs and customer contracts that limit liability to Third Parties as a bar to, or limitation on, any recovery by a Third Party claimant.
- 20.2.7 The Indemnifying Party and the Indemnitee shall offer each other all reasonable cooperation and assistance in the defense of any Third Party Claim.

- 20.3 Each Party agrees that it will not implead or bring any action against the other Party, the other Party's Affiliates, or any of the directors, officers or employees of the other Party or the other Party's Affiliates, based on any Claim by (or with respect to) any Person for personal injury or death that occurs in the course or scope of employment of such Person by the other Party or the other Party's Affiliate and that arises out of performance of this Agreement.
- 20.4 In the event parties other than Customer (e.g., Customer's end users) shall have use (or claim that they should have had use) of the Services through Customer, then Customer agrees to forever indemnify and hold Verizon, its Affiliates and any Third Party provider or operator of facilities employed in provision of the Services harmless from and against any and all Claims that those parties may assert arising out of or relating to any defect in the Services or Verizon's provision or nonprovision of Services under this Agreement. The terms of Section 20.2 shall also apply to this Section 20.4.
- 20.5 Each Party's obligations under this Section 20 shall survive expiration, cancellation or termination of this Agreement.

#### 21. Intellectual Property

- 21.1 Except as expressly stated in this Agreement, this Agreement shall not be construed as granting a license with respect to any patent, copyright, trade name, trademark, service mark, trade secret or any other intellectual property, now or hereafter owned, controlled or licensable by either Party. Except as expressly stated in this Agreement, neither Party may use any patent, copyrightable materials, trademark, trade name, trade secret or other intellectual property right, of the other Party except in accordance with the terms of a separate agreement between the Parties granting such rights.
- 21.2 Except as stated in Section 21.4 and 21.5, neither Party shall have any obligation to defend, indemnify or hold harmless, or acquire any license or right for the benefit of, or owe any other obligation or have any liability to, the other Party or its Affiliates or customers based on or arising from any Third Party Claim alleging or asserting that the provision or use of any Services, facility, arrangement, or software by either Party under this Agreement, or the performance of any Services or method, either alone or in combination with the other Party, constitutes direct, vicarious or contributory infringement or inducement to infringe, or misuse or misappropriation of any patent, copyright, trademark, trade secret, or any other proprietary or intellectual property right of any Party or Third Party. Each Party, however, shall offer to the other reasonable cooperation and assistance in the defense of any such Claim.
- 21.3 Customer agrees that the Services provided by Verizon hereunder shall be subject to the terms, conditions and restrictions contained in any applicable agreements (including software or other intellectual property license agreements) between Verizon and Verizon's vendors. Verizon agrees to advise Customer, directly or through a third party, of any such terms, conditions or restrictions that may limit any Customer use of Services provided by Verizon that is otherwise permitted by this Agreement.
- 21.4 Except as limited below, Verizon agrees to defend Customer Indemnitees from Third Party Claims against such Customer Indemnitees that arise out of allegations that the Services, or materials provided to Customer by Verizon and required for Customer to use the Services (the "Service-Related Materials") violate or infringe (a) the trademark, trade secret or copyright of any Third Party enforceable in the United States, or (b) any patent of any Third Party issued and enforceable in the United States as of the Effective Date, and Verizon agrees to indemnify

and hold Customer Indemnitees harmless against finally awarded damages, costs and expenses, including reasonable attorneys' fees, in connection with such Third Party Claims.

- 21.4.1 Notwithstanding any other provision of this Agreement or otherwise, Verizon has no obligation to defend, indemnify, or hold harmless Customer Indemnitees for any Claim that arises in whole or in part from (a) any use of the Services or Service-Related Materials not in accordance with all technical requirements and specifications applicable to such Services or Service-Related Materials; (b) the combination, use or operation of any Services or Service-Related Materials by or at the direction of a Customer Indemnitee (or its agents, employees or contractors) with any service or product of Customer Indemnitees or any Third Party; (c) any addition to or modification of the Services or Service-Related Materials by Customer Indemnitees, any Third Party or by Verizon at a Customer Indemnitee's direction; (d) use of any version other than the most current release made available to Customer of any software used in the Services or Service-Related Materials, or any alteration thereof; (e) any service, equipment, system, product, process or method (or the use thereof) other than the Services or Service-Related Materials; (f) functionality provided by Verizon at the direction of a Customer Indemnitee, its agents, employees, or other contractors (including the provision of functionality in accordance with technical specifications provided by a Customer Indemnitee); or (g) materials provided by Customer Indemnitees to Verizon in the course of providing the Service or Service-Related Materials to Customer.
- 21.4.2 Notwithstanding any other provision of this Agreement or otherwise, Verizon has no obligation under this Section for (a) any costs, fees or expenses incurred by Customer Indemnitees without Verizon's prior written consent; (b) any allegation, assertion, or claims of intellectual property infringement, including contributory infringement or inducement to infringe arising out of or related to any Claim involving: (i) automated call processing, automated voice service, automated customer service or combined live operator/automated systems processing used in processing or completing calls, (ii) automated bridging of more than two callers utilizing some form of "listen only" (unilateral) communication combined with some form of interactive communication, (iii) prepaid calling products or services, (iv) wireless telecommunications services or support therefor, or (v) "music on hold," service; or (c) any indirect, special, consequential or incidental damages incurred by any Customer Indemnitee arising out of any Claim.
- 21.4.3 The foregoing states the entire obligation of Verizon with respect to any Third Party Claim of infringement of any intellectual property right of any kind, and Verizon disclaims all other warranties and obligations with respect to any such Claims.
- 21.5 Customer agrees to defend Verizon Indemnitees from Third Party Claims of intellectual property rights infringement arising from (a) the conduct set forth in Section 21.4.1 above; or (b) the content of communications transmitted by or on behalf of Customer in the use of the Services or Service-Related Materials provided by Verizon, including but not limited to libel, slander, and invasion of privacy, and Customer agrees to indemnify and hold Verizon Indemnitees harmless against finally awarded damages, costs and expenses, including reasonable attorneys' fees, in connection with such Third Party Claims.

- 21.6 The indemnification obligations of Verizon under Section 21.4 and Customer under Section 21.5 are conditioned on adherence by Indemnitees thereunder to the requirements of Section 20.2.
- 21.7 If any Services or Service-Related Materials become the subject of any Third Party Claim that such Services or Service Related Materials infringe any Third Party intellectual property rights, Verizon may, at its sole option and expense, and without exclusion of any other rights Customer may have under this Agreement (a) procure for Customer the right to continue to use the Services or Service-Related Materials, (b) replace the Services or Service-Related Materials (or components thereof) with substantially equivalent, non-infringing Services or Service-Related Materials (or components thereof), or modify the Services or Service-Related Materials (or components thereof) so that they become non-infringing, or (c) remove the infringing Service-Related Materials and/or terminate the Services or portions thereof and release Customer from any further obligation (including termination liability, but excluding the obligation to pay for Services actually rendered) with respect to such Services or Service-Related Materials.
- 21.8 If any Services or Service-Related Materials become the subject of any Third Party Claim that such Services or Service-Related Materials infringe any Third Party intellectual property rights, Verizon may, at its sole option and expense, and without exclusion of any other rights Customer may have under this Agreement at any time assume the defense of such Claim. In the event that Verizon so assumes the defense of any such Claim, (a) Verizon shall notify Customer in writing of that election, (b) Verizon shall have sole control over defense and/or settlement of such Claim, (c) Customer shall provide Verizon with reasonable assistance in the defense of such Claim, (d) Verizon shall thereafter defend Customer against such Claim, and (e) Verizon shall pay any adverse final judgment (or settlement to which Verizon consents) resulting from such Claim.

## 22. Joint Work Product

This Agreement is the joint work product of the Parties, has been negotiated by the Parties, and shall be fairly interpreted in accordance with its terms. In the event of any ambiguities, no inferences shall be drawn against either Party.

#### 23. Law Enforcement

- 23.1 Each Party may cooperate with law enforcement authorities and national security authorities to the full extent required or permitted by Applicable Law in matters related to the Services provided by it under this Agreement, including the production of records, the establishment of new lines or the installation of new services on an existing line in order to support law enforcement and/or national security operations, and, the installation of wiretaps, trap-and-trace facilities and equipment, and dialed number recording facilities and equipment.
- 23.2 A Party shall not have the obligation to inform the other Party or the customers of the other Party of actions taken in cooperating with law enforcement or national security authorities, except to the extent required by Applicable Law.
- 23.3 Where a law enforcement or national security request relates to the establishment of lines (including lines established to support interception of communications on other lines), or the installation of other services, facilities or arrangements, a Party may act to prevent the other Party from obtaining access to information concerning such lines, services, facilities and arrangements, through operations support system interfaces.

#### 24. Liability

- 24.1 As used in this Section 24, "Services Failure" means a failure to comply with a direction to install, restore or terminate the Services under this Agreement, a failure to provide the Services under this Agreement, and failures, mistakes, omissions, interruptions, delays, errors, defects or the like, occurring in the course of the provision of any the Services under this Agreement.
- 24.2 Except as otherwise stated in Section 24.6 or in a Service-specific commitment set forth in any Attachment hereto, the liability, if any, of Verizon, its Affiliates, and the directors, officers and employees of Verizon and its Affiliates, to Customer, Customer's customers, and to any other Person, for Claims arising out of a Services Failure shall not exceed an amount equal to the pro rata applicable monthly charge for the Services that are subject to the Services Failure for the period in which such Services Failure occurs.
- 24.3 Except as otherwise provided in Section 24.6, a Party, a Party's Affiliates, and the directors, officers and employees of the foregoing shall not be liable to the other Party, the other Party's customers, or to any other Person, in connection with this Agreement (including in connection with a Services Failure or any breach, delay or failure in performance, of this Agreement) for special, indirect, incidental, consequential, reliance, exemplary, punitive, or like damages, including damages for lost revenues, profits or savings, or other commercial or economic loss, even if the Person whose liability is excluded by this Section has been advised of the possibility of such damages.
- 24.4 Notwithstanding any provision of this Agreement, any document referenced herein or otherwise, but subject to any Service-specific commitments set forth in any Attachment hereto, Verizon shall not be subject to any performance intervals, performance measurements, performance credits, penalty payments or the like associated with the performance of this Agreement.
- 24.5 The limitations and exclusions of liability stated in Sections 24.1 through 24.4 shall apply regardless of the form of a claim or action, whether statutory, in contract, warranty, strict liability, tort (including negligence of a Party), or otherwise.
- 24.6 Nothing contained in Sections 24.1 through 24.5 shall exclude or limit liability:
  - 24.6.1 under Section 20, Indemnification, Section 21.4, Section 21.5, or Section 31, Taxes;
  - 24.6.2 for any obligation to indemnify, defend and/or hold harmless that a Party may have under this Agreement;
  - 24.6.3 for damages arising out of or resulting from bodily injury to or death of any Person, or damage to, or destruction or loss of, tangible real and/or personal property of any Person, or substance (a) designated or defined as toxic or hazardous under any of the Comprehensive Environmental Response, Compensation, and Liability Act, the Emergency Planning and Community Right-to-Know Act, the Water Pollution Control Act, the Air Pollution Control Act, the Toxic Substances Control Act, the Resource Conservation and Recovery Act, the Occupational Safety and Health Act, and all other Federal, State or local laws or governmental regulations or requirements, that are similar to the above-referenced laws or that otherwise govern releases, chemicals, products, materials

or wastes that may pose risks to human health or safety, or the environment, or that relate to the protection of wetlands or other natural resources or (b) that poses a risk to human health or safety, or the environment, and products and materials containing such substance, to the extent such damages are otherwise recoverable under Applicable Law; or

24.6.4 for a claim for infringement of any patent, copyright, trade name, trade mark, service mark, or other intellectual property interest.

#### 25. Notices

Any written notice either Party may give the other concerning the subject matter of this Agreement shall be in writing, and be given or made by means of facsimile transmission, U.S. certified or registered mail, express mail or other overnight delivery service, or hand delivery, proper postage or other charges paid and addressed or directed to the respective Parties as follows:

To Customer at:

Verizon Alliance Management Director Support Services

6665 North MacArthur Blvd.

HQK02E69 Irving, TX 75039

To Verizon at:

Commercial Agreement Contract Management

MC:HQE02L24 600 Hidden Ridge Irving, TX 75038

Facsimile: (972) 719-1504

with a copy to

Vice President & Deputy General Counsel

Verizon Partner Solutions

1515 N. Courthouse Road, Suite 500

Arlington, Virginia 22201 Facsimile: 703-351-3664

or to such other address as either Party shall designate by proper notice.

A notice shall be deemed served or delivered to the addressee or its office when actually received at the address when hand delivered; upon confirmation of sending when sent by fax; on the day after being sent when sent by overnight delivery service; or three (3) days after deposit in the mail when sent by U.S. mail.

## 26. Customer and Verizon-Provided Facilities or Equipment

26.1 To the extent that Customer needs any additional facilities, equipment, or materials in order to use Verizon provided Services hereunder, it shall be Customer's responsibility to procure such facilities, equipment, or materials from either Verizon, an Affiliate of Verizon, a third party, or through self provisioning. Customer shall ensure that the facilities or equipment provided by

Customer are properly interconnected with the Services, facilities and equipment provided by Verizon. Verizon shall not be liable for any damages or losses caused by the failure of equipment, inside wire or other facilities provided by Customer or a third party and if such facilities cause damage to Verizon, its customers, and/or its providers, Customer shall be liable therefor. Customer is also solely responsible for the selection, implementation and maintenance of security features for protection against authorized or fraudulent use of Services and Verizon shall have no liability therefor. Such additional facilities, equipment, or materials (even if the same are provided by Verizon or an Affiliate of Verizon) are not subject to this Agreement. Any other work, services, or facilities ordered by Customer and provided by Verizon, including but not limited to special construction, will be provided subject to Verizon's applicable filed and effective Tariff rates, terms, and conditions then in effect or, if applicable, under separate agreement between the Parties.

- 26.2 If requested by Verizon, Customer shall furnish or arrange to have furnished to Verizon, at no charge to Verizon, equipment space and electrical power required by Verizon to provide the Services at the points of termination of such Services. The selection of ac or dc power shall be mutually agreed to by Customer and Verizon. Customer shall also make necessary arrangements so that Verizon will have access to such spaces at reasonable times for installing, testing, repairing or removing, as applicable, the Services.
- 26.3 The Services (including, without limitation, any and all facilities and the like used to provide the Services) shall be available to Verizon at times mutually agreed upon by the Parties to permit Verizon to make tests and adjustments appropriate for maintaining the Services in satisfactory operating condition. Such tests and adjustments shall be completed within a reasonable time. Notwithstanding any other provision of this Agreement, no credit or other adjustments will be allowed for any interruptions during such tests and adjustments.
- 26.4 The Services shall be maintained by Verizon. No Person may rearrange, move, disconnect, remove or attempt to repair any facilities provided by Verizon, except with the prior written consent of Verizon.
- 26.5 Facilities utilized by Verizon to provide the Services shall remain the property of Verizon. Such facilities shall be returned to Verizon by Customer, whenever requested, within a reasonable period following the request in as good condition as reasonable wear will permit.

## 27. [Intentionally Omitted]

## 28. Relationship of the Parties

- 28.1 The relationship of the Parties under this Agreement shall be that of independent contractors and nothing herein shall be construed as creating any other relationship between the Parties.
- 28.2 Nothing contained in this Agreement shall make either Party the employee of the other, create a partnership, joint venture, or other similar relationship between the Parties, or grant to either Party a franchise, distributorship or similar interest.
- 28.3 Except for provisions herein expressly authorizing a Party to act for another Party, nothing in this Agreement shall constitute a Party as a legal representative or agent of the other Party, nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against, in the name or on behalf of the other Party

unless otherwise expressly permitted by such other Party in writing, which permission may be granted or withheld by such other Party in its sole discretion.

- 28.4 Each Party shall have sole authority and responsibility to hire, fire, compensate, supervise, and otherwise control its employees, agents and contractors. Each Party shall be solely responsible for payment of any Social Security or other taxes that it is required by Applicable Law to pay in conjunction with its employees, agents and contractors, and for withholding and remitting to the applicable taxing authorities any taxes that it is required by Applicable Law to collect from its employees.
- 28.5 Except as otherwise expressly provided in this Agreement, no Party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of such other Party's business.
- 28.6 The relationship of the Parties under this Agreement is a non-exclusive relationship.

## 29. Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the Parties and their respective legal successors and permitted assigns. Verizon may assign this Agreement or any of its rights or obligations hereunder to an Affiliate or successor upon written notice to Customer. Customer may, upon providing prior written notice to Verizon, assign this Agreement and all of its rights and obligations hereunder to an Affiliate or successor, provided that such assignment shall not be effective if either Customer or such Affiliate (or successor) does not satisfy Verizon's creditworthiness standards, or if either Customer or such Affiliate (or successor) is in default under any contractual or tariff obligations to Verizon. Any attempted transfer or assignment of this Agreement (or any part thereof) by one Party to any other third party without prior written consent is null and void.

#### 30. Survival

The rights, liabilities and obligations of a Party for acts or omissions occurring prior to the expiration, cancellation or termination of this Agreement, the rights, liabilities and obligations of a Party under any provision of this Agreement regarding confidential information, indemnification or defense, or limitation or exclusion of liability, and the rights, liabilities and obligations of a Party under any provision of this Agreement which by their terms or nature are intended to continue beyond or to be performed after the expiration, cancellation or termination of this Agreement, shall survive the expiration, cancellation or termination of this Agreement.

#### 31. Taxes

- 31.1 <u>In General</u>. With respect to any purchase hereunder of the Services, if any federal, state or local tax, fee, universal services fund contribution, surcharge or other tax-like charge (a "Tax") is required or permitted by Applicable Law be collected from Customer by Verizon, then (a) Verizon shall properly bill Customer for such Tax, (b) Customer shall timely remit such Tax to Verizon and (c) Verizon shall timely remit such collected Tax to the applicable taxing authority.
- 31.2 <u>Taxes Imposed on Verizon</u>. With respect to any purchase hereunder of the Services, if any federal, state or local Tax is imposed by Applicable Law on the receipts of Verizon, and such Applicable Law permits Verizon to exclude certain receipts received from sales for resale to a public utility, distributor, telephone company, local exchange carrier, telecommunications company or other communications company ("Telecommunications Company"), such exclusion being based solely on the fact that Customer is also subject to a tax based upon receipts

("Receipts Tax"), then Customer (a) shall provide Verizon with notice in writing in accordance with Section 31.6 of this Agreement of its intent to pay the Receipts Tax and (b) shall timely pay the Receipts Tax to the applicable tax authority.

- 31.3 <u>Taxes Imposed on Customers</u>. With respect to any purchase hereunder of the Services that is resold to a third party, if any federal, state or local Tax is imposed by Applicable Law on the subscriber, end-user, customer or ultimate consumer ("Subscriber") in connection with any such purchase, which a Telecommunications Company is required to impose and/or collect from a Subscriber, then Customer (a) shall be required to impose and/or collect such Tax from the Subscriber and (b) shall timely remit such Tax to the applicable taxing authority.
- 31.4 Liability for Uncollected Tax, Interest and Penalty. If Verizon has not received an exemption certificate from Customer and Verizon fails to bill Customer for any Tax as required by Section 31.1, then, as between Verizon and Customer, (a) Customer shall remain liable for such unbilled Tax and (b) Verizon shall be liable for any interest assessed thereon and any penalty assessed with respect to such unbilled Tax by such authority. If Verizon properly bills Customer for any Tax but Customer fails to remit such Tax to Verizon as required by Section 31.1, then, as between Verizon and Customer, Customer shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If Verizon does not collect any Tax as required by Section 31.1 because Customer has provided Verizon with an exemption certificate that is later found to be inadequate by a taxing authority, then, as between Verizon and Customer, Customer shall be liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. If Customer fails to pay the Receipts Tax as required by Section 31.2, then, as between Verizon and Customer, (x) Verizon shall be liable for any Tax imposed on its receipts and (y) Customer shall be liable for any interest assessed thereon and any penalty assessed upon Verizon with respect to such Tax by such authority. If Customer fails to impose and/or collect any Tax from Subscribers as required by Section 31.3, then, as between Verizon and Customer, Customer shall remain liable for such uncollected Tax and any interest assessed thereon, as well as any penalty assessed with respect to such uncollected Tax by the applicable taxing authority. With respect to any Tax that Customer has agreed to pay, or is required to impose on and/or collect from Subscribers, Customer agrees to indemnify and hold Verizon harmless on an after-tax basis for any costs incurred by Verizon as a result of actions taken by the applicable taxing authority to recover the Tax from Verizon due to the failure of Customer to timely pay, or collect and timely remit, such Tax to such authority. In the event either Party is audited by a taxing authority, the other Party agrees to cooperate fully with the Party being audited in order to respond to any audit inquiries in a proper and timely manner so that the audit and/or any resulting controversy may be resolved expeditiously.
- 31.5 Tax Exemptions and Exemption Certificates. If Applicable Law clearly exempts a purchase hereunder from a Tax, and if such Applicable Law also provides an exemption procedure, such as an exemption-certificate requirement, then, if Customer complies with such procedure, Verizon shall not collect such Tax during the effective period of such exemption. Such exemption shall be effective upon receipt of the exemption certificate or affidavit in accordance with the terms set forth in Section 31.6. If Applicable Law clearly exempts a purchase hereunder from a Tax, but does not also provide an exemption procedure, then Verizon shall not collect such Tax if Customer (a) furnishes Verizon with a letter signed by an officer requesting such an exemption and citing the provision in the Applicable Law which clearly allows such exemption and (b) supplies Verizon with an indemnification agreement, reasonably acceptable to Verizon (e.g., an agreement commonly used in the industry), which holds Verizon harmless on an after-tax basis with respect to its forbearing to collect such Tax.

31.6 All notices, affidavits, exemption-certificates or other communications required or permitted to be given by either Party to the other, for purposes of this Section 31, shall be made either electronically in accordance with Verizon's approved procedures or in writing, in which case they shall be delivered in person or sent by certified mail, return receipt requested, or registered mail, or a courier service providing proof of service, and sent to the addressees set forth in Section 25 as well as to the following:

To Verizon:

Tax Administration Verizon Communications One Verizon Way – 3<sup>rd</sup> Floor VC53S221 Basking Ridge, NJ 09720

To Customer:

Verizon Global Networks Inc. ("VGNP")
Verizon Alliance Management
Director Support Services
6665 North MacArthur Blvd.
HQK02E69
Irving, TX 75039

Either Party may from time to time designate another address or other addressees by giving notice in accordance with the terms of this Section. Any notice or other communication shall be deemed to be given when received.

#### 32. Third Party Beneficiaries

Except as expressly set forth in this Agreement, this Agreement is for the sole benefit of the Parties, their successors and their permitted assigns, and nothing herein shall create or be construed to provide any third parties (including customers or contractors of a Party) with any rights (including any third-party beneficiary rights) hereunder. Except as expressly set forth in this Agreement, a Party shall have no liability under this Agreement to the customers of the other Party or to any other third party.

#### 33. Waiver

A failure or delay of either Party to enforce any of the provisions of this Agreement, or any right or remedy available under this Agreement or at law or in equity, or to require performance of any of the provisions of this Agreement, or to exercise any option which is provided under this Agreement, shall in no way be construed to be a waiver of such provisions, rights, remedies or options. Any waiver must be written and signed by the Parties. A consent to waiver of or excuse for a breach or default by either Party, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

## 34. Sections 251/252/271 of the Act

Verizon and Customer acknowledge and agree that: (a) Verizon's provision of the Services to Customer does not constitute a request by Customer, nor does Verizon's provision of the Services

to Customer constitute an offer by Verizon, for interconnection, unbundled access, resale or other services, facilities or the like pursuant to Section 251 of the Act; (b) the Services provided under this Agreement are not subject to Sections 251 or 271 of the Act; and (c) this Agreement is not subject to Section 252 of the Act, including any requirement to negotiate, mediate, or arbitrate the Agreement pursuant to Section 252 of the Act, or file the Agreement with any state utility commission or the FCC.

#### SIGNATURE PAGE

#### AGREED AND ACCEPTED

Verizon Global Networks Inc. ("VGNI")

Ву:

Printed: Scott C. Pierce

Executive Director

Title: Alliance Management

Date: 6/19/06

Verizon Services Corp., on behalf of the Verizon Operating Telephone Companies identified in <u>Attachment</u> 1

By:

Printed: JOHN RIOGEWAY

Title: DIR

Date: 6-19-06

EFFECTIVE DATE 6-19-06 (to be filled in by Verizon)

Verizon's Initials

#### Attachment 1

## Verizon Operating Telephone Companies

Verizon Delaware Inc., a Delaware corporation

Verizon Florida Inc., a Florida corporation

Verizon Maryland Inc., a Maryland corporation

Verizon New England Inc., a New York corporation

Verizon New Jersey Inc., a New Jersey corporation

Verizon New York Inc., a New York corporation

Verizon Pennsylvania Inc., a Pennsylvania corporation

Verizon Virginia Inc., a Virginia corporation

Verizon Washington, DC Inc., a New York corporation

Verizon West Virginia Inc., a West Virginia corporation

Verizon California Inc., a California corporation

Verizon North Inc., a Wisconsin corporation

Verizon Northwest Inc., a Washington corporation

Verizon South Inc., a Virginia corporation

Verizon West Coast, Inc., a California corporation

GTE Southwest Incorporated, d/b/a Verizon Southwest, a Delaware corporation

Contel of the South, Inc. d/b/a Verizon North Systems, an Indiana corporation

GTE Midwest Incorporated d/b/a Verizon Midwest

Customer ACNAs

GOP, BAX

## **Attachment 2 - Description and Pricing of Services**

#### Special IP Port

#### Service Description

The Special IP Port is a traffic aggregation point on Verizon's IP network. Customer may use the Special IP Port to aggregate traffic from other service(s) offered by Verizon subject to the limitations of the capacity (bandwidth) ordered. To satisfy configuration requirements defined by Verizon such as load balancing and diversity, Customer must purchase Special IP Ports in pairs with a minimum of one pair per LATA. Verizon will divide the traffic between the pair of Special IP Ports.

Verizon-provided OC12c, OC48c or OC192c SONET facilities, or such other equivalent Verizon-provided facilities as Verizon may allow in its sole discretion, are required for access to the Special IP Port from an Inter-exchange Carrier's (IXC's) or other service provider's POP, unless fiber cross-connects are used to access the Special IP Port from a collocation arrangement located in the same central office as the Special IP Port. The associated regulations, rates and charges for such Verizon-provided access facilities will apply, as set forth in The Verizon Telephone Companies Tariff F.C.C. No. 1 or The Verizon Telephone Companies Tariff F.C.C. No. 11, or by contract between Verizon and Customer. Fiber cross-connects are available to the extent described in The Verizon Telephone Companies Tariff F.C.C. No. 1, Section 19, and The Verizon Telephone Companies Tariff F.C.C. No. 11, Section 28.

A planning session is required prior to the submission of an order for a Special IP Port. The Special IP Port will be provisioned based on a negotiated interval between Customer and Verizon.

#### Availability

Special IP Port is available only in the locations identified by the Common Language Location Identifier ("CLLI") codes listed in Appendix A to this Attachment 2, as such Appendix may be amended from time to time at Verizon's sole discretion. The parties agree that Appendix A does not list, and Special IP Port will not be available in, any location at which the IP Port element of the Internet Protocol – Virtual Private Network (IP-VPN) service is offered pursuant to the Verizon Telephone Companies Tariff F.C.C. Nos. 1 or 20, as such tariffs may be modified from time to time.

#### **Pricing**

A monthly recurring charge (MRC) and a one-time installation charge (NRC) apply to each Special IP Port on a per-IP Port basis. The MRC and NRC are each differentiated based on bandwidth. As stated above, the minimum order is two Special IP Ports (i.e. one pair of Special IP Ports) per LATA, and all Special IP Ports must be ordered in pairs. Pricing is available for one-year minimum service periods and for three-year minimum service periods, as follows:

One-Year Pricing		
Bandwidth	MRC	NRC
OC12c	\$5,000	\$500
OC48c	\$10,000	\$1,000
OC192c	\$20,000	\$1,250

Three-Year Pricing		
Bandwidth	MRC	NRC
OC12c	\$4,000	\$500
OC48c	\$8,000	\$1,000
OC192c	\$16,000	\$1,250

#### **Term and Termination**

Each Special IP Port is subject to a minimum service period of either one year or three years, according to the pricing plan chosen by Customer at the time of Customer's order. If Customer cancels, or causes Verizon to cease providing, any Special IP Port service provided hereunder prior to expiration of the minimum service period applicable to such Special IP Port, Customer must pay a termination charge equal to the full monthly charges that would be due for the for the unexpired portion of the minimum service period.

# Appendix A To Attachment 2

## **Service Locations**

## Special IP Port is available at the following locations:

CLLI Code	State
NWBRNYNW	NY
PGHKNYSH	NY
MYBHSCAF	SC
MYBHSCXM	SC