Verizon

Verizon Northwest Inc.

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

July 2, 2007

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. 327

Dear Ms. Washburn:

Enclosed for the Commission's file is a verified copy of an Amended and Restated Master Services Agreement between Verizon companies, including Verizon Northwest Inc., and Verizon Wireless, which replaces the agreements previously filed in UT-.061384 and UT-070371.

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

Very truly yours,

Richard E. Potter

Director

Public Affairs, Policy & Communications

**Enclosure** 

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# **VERIFICATION OF AFFILIATED INTEREST AGREEMENT**

I verify that the enclosed is a true copy of an Amended and Restated Master Services Agreement between Verizon companies, including Verizon Northwest Inc., and Verizon Wireless.

Richard E. Potter

Director

Verizon Northwest Inc.

# VERIZON PARTNER SOLUTIONS AMENDED AND RESTATED MASTER SERVICES AGREEMENT

## **GENERAL TERMS AND CONDITIONS**

THIS VERIZON PARTNER SOLUTIONS AMENDED AND RESTATED 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 Cellco Partnership d/b/a Verizon Wireless ("Customer") (each individually, a "Party," and collectively, the "Parties") as of March 19 2007 (the "Effective Date"), and amends and restates in their entirety, as of the Effective Date, that certain Optical Services Agreement and that certain Master Services Agreement (collectively, the "Original MSAs"), dated as of August 17, 2006, and January 19, 2007, respectively, by and between Verizon and Customer.

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 hereto, including, as of the Effective Date, the Attachments to the Original MSAs as modified as of the Effective date and attached hereto, 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. Customer may purchase Services pursuant to the terms and conditions set forth in this Agreement. This Agreement does not by itself order any Services. Customer shall order Services in accordance with Section 10 below. The Services may be ordered 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. If Customer

is an Affiliate of Verizon, such Customer shall compensate Verizon for the Services at the rates based on cost allocation and affiliate transaction requirements set forth in 47 C.F.R. Parts 32 and 64. In the event that the rates and charges based on cost allocation and affiliate transaction requirements set forth above are higher than the rates and charges set forth in the Attachments hereto on an aggregate basis for individual Services not subject to volume or revenue commitments, Customer shall have the right to terminate such Service Attachment and the obligation to purchase the Service thereunder, without further liability, upon providing thirty (30) days written notice to Verizon; provided, however, that for those Services subject to a volume or revenue commitment, the specific rights and obligations of each of Verizon and Customer shall be set forth in the applicable Service Attachment, or volume or revenue commitment plan, as applicable.

## 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. 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

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 Mach - 18, 2012 (the "Initial Term"). Thereafter, this Agreement shall be automatically renewed on a month-to-month basis (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 ninety (90) calendar days prior written notice to the other Party. Additionally, Service-specific term commitments 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 may be 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. In such event, 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.
- Verizon may terminate, suspend, or limit use of any Services provided under this Agreement without liability and with notice as required by Applicable Law to Customer, for the following reasons: (a) the Services are 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; (e) subject to Section 14 below, Customer fails to timely pay any charges for Services provided by Verizon (except for charges that are subject to a bona fide dispute); or (f) subject to Section 14 below, Customer fails to materially comply with any processes or procedures used by Verizon (e.g., processes associated with ordering, maintenance and repair functions) to provide Services hereunder.

#### 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, subject to Section 6.2 below, waives any defense of lack of jurisdiction, improper venue or inconvenient forum.
- Each Party and the Service(s) shall remain in compliance with all effective federal, state and local laws, ordinances, government regulations, government orders and codes (including procurement of required permits or certificates), 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 Federal Communications Commission ("FCC") and courts of competent jurisdiction. The foregoing shall be referred to collectively as "Applicable Law."
- 6.3 To the extent that any state statute, order, rule or regulation or any regulatory agency having competent jurisdiction over one or both Parties to this Agreement requires that this Agreement or any subsequent amendment hereto be filed with or approved by such regulatory agency before this Agreement or any such amendment may be effective, this Agreement or any such amendment shall not be effective in such state until the first business day after such approval or filing shall have occurred.
- 6.4 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.

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 or has the right to utilize (by written authorization from the owner of such ACNA) the ACNAs set forth on Attachment 1, as amended from time to time. 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 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, subject to Section 11.3 hereof, (a) on or after the Effective Date, fails to timely pay in respect of any given month more than twenty five percent (25%) of the aggregate amount billed in Invoices rendered to Customer by Verizon or its Affiliates (as defined in the Act) during such month for Services hereunder, (b) on or after the Effective Date, fails to timely pay in respect of any two months during any twelve (12) month period more than ten percent (10%) of the aggregate amount billed in Invoices rendered to Customer by Verizon or its Affiliates during such months for Services hereunder, (c) 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 (d) 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. If Customer is subject to bankruptcy or insolvency proceedings assurance of payment is only required to the extent not prohibited by Applicable Law, including the U.S. Bankruptcy Code.
- 8.3 Unless otherwise agreed in writing by the Parties, at Customer's sole discretion, the assurance of payment shall consist of either (a) 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, (b) a cash deposit to be held in a liquid government insured investment, as directed by Customer, with all earned interest credited to Customer's account as mutually agreed between the Parties, or (c) a parent guarantee in form and substance satisfactory to Verizon in its sole discretion. Such letter of credit, deposit, or parent guarantee, as applicable, shall be required to be established within fifteen (15) calendar days after Customer's receipt of the notice requiring such assurance of payment, and shall be in an amount equal to two (2) 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.

- 8.4 Verizon may (but shall not be obligated to) draw upon the letter of credit or deposit, or demand payment under the guarantee, as applicable, upon notice to Customer in respect of any amounts to be paid by Customer hereunder that are not paid within thirty (30) calendar days of the date that payment of such amounts is required by this Agreement.
- 8.5 If Verizon draws upon the letter of credit or deposit, as applicable, upon request by Verizon, Customer shall provide a replacement or supplemental letter of credit conforming to the requirements of Section 8.3 or supplement the deposit, as applicable.
- 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 assurance of payment is requested by Verizon hereunder shall in no way relieve Customer from its obligation to comply with the requirements of this Agreement relating to 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 Customer, after having provided assurance of payment as required pursuant to Section 8.2(a) or 8.2(b) hereof, subsequently timely pays at least ninety percent (90%) of the aggregate amount billed in Invoices rendered to Customer by Verizon or its Affiliates during each of twelve (12) consecutive months for Services hereunder, Customer shall be released from the obligation to provide such assurance of payment under this Section 8 until such time if any as Customer again fails to satisfy the requirements of this Section 8. If assurance of payment remains in place at such time as the provision of all Services under this Agreement is terminated, upon payment in full of all amounts owing hereunder and not subject to bona fide dispute, such assurance of payment shall be returned to Customer.

#### 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 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.

Verizon shall obtain and keep in full force and effect, at its expense, any permits, licenses, consents, approvals and authorizations ("Permits") necessary for providing the Services.

#### 10. Operational Processes

Customer shall follow the same operational processes, procedures, systems, interfaces, and guidelines (collectively, "OSS Systems and Procedures") previously used by Customer with Verizon in connection with similar service arrangements and associated features purchased by

Customer. The foregoing requirement shall apply to all functions associated with provision of the Service by Verizon under this Agreement, including without limitation, any pre-order, order, maintenance, and repair functions. If Verizon should change such OSS Systems and Procedures, Verizon shall provide Customer the same notice of such change as it provides to other similarly situated customers, and such changed OSS Systems and Procedures (as applicable) shall apply to Customer. Unless otherwise directed by Verizon, Customer shall submit only electronic orders (i.e., Access Service Request (ASRs)) for Services ordered under this Agreement. If Verizon has not yet deployed an electronic system capability for Customer to perform a specific function (e.g., ordering a Service, or requesting maintenance of the Service), Customer shall use such other processes as Verizon has made available for performing such function.

## 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 form in accordance with Section 25 hereof or, alternatively, electronically in an industry standard format. The preference of both Parties is to utilize electronic invoicing. Accordingly, Verizon shall only provide Invoices in paper form if it is unable to timely transmit Invoices electronically. 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, which shall reflect a thirty (30) day payment interval; or (b) twenty (20) calendar days after the date the electronic bill (as evidenced by the electronic transmission records) or paper bill, if applicable, is received by Customer. 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) calendar 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) calendar 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 twenty-four (24) months 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. Notwithstanding the foregoing, Customer shall not be liable for amounts included in an Invoice submitted by Verizon for charges incurred by Customer if such charges were incurred earlier than twenty-four (24) months prior to the date of the Invoice including such charges.

#### 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. Confidential Information shall not include information which
  - a. As shown by reasonably documented proof, was in the other Party's possession prior to receipt from the disclosing Party; or
  - b. As shown by reasonably documented proof, was received by one Party in good faith from a third-party not subject to a confidentiality obligation to the other Party with respect to Confidential Information of such other Party; or
  - c. Now is or later becomes publicly known through no breach by either Party of the obligations under this Section 12; or
  - d. Is authorized in writing by the disclosing Party to be released or is designated in writing by that Party as no longer being Confidential Information.
- 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.
- 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, fifteen (15) calendar 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 that are the subject of such material breach), 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 that are the subject of such material breach).

## 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) calendar 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 materially affects any term or condition set forth in this Agreement, or otherwise materially prohibits or interferes (or could potentially materially prohibit or interfere) with Verizon's ability to offer the Services, or materially prohibits or interferes (or could potentially prohibit or interfere) with Verizon's performance under this Agreement.
- 15.3 <u>Inability to Conduct Telecommunications Operations</u>. In addition to, and not in limitation of Section 15.2 above, in the event either Party is prohibited, either on a temporary or permanent basis, from continuing to conduct its telecommunications operations in a given jurisdiction, such Party shall (a) immediately notify the other Party by facsimile, (b) send written notice to the other Party within twenty-four (24) hours of such prohibition, and (c) take immediate steps to suspend or discontinue its provision or use of Services in such jurisdiction, as the case may be.

#### 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, and the Party not claiming a Force Majeure Event shall likewise be excused from performance of its obligations on a day-to-day basis during the same period), provided, however, that the Party so affected shall use commercially reasonable efforts to avoid or remove the cause of such Force Majeure Event, and both Parties shall proceed immediately with the performance of their obligations under this Agreement whenever such causes are removed or cease. Notwithstanding the foregoing, Customer may terminate any portion or all of any affected Services if a Force Majeure Event continues for sixty (60) calendar days. 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), 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. Representations and Warranties

- 17.1 Verizon represents and warrants to Customer that it has the right to provide the Service specified herein and that it is an entity, duly organized, validly existing and in good standing under the laws of its origin, with all requisite power to enter into and perform its obligations under this Agreement in accordance with its terms.
- 17.2 Verizon represents and warrants to Customer that all Service rendered hereunder will be designed, produced, installed, furnished and in all respects provided and maintained in conformance and compliance with Applicable Law.
- 17.3 Verizon represents and warrants that at the time of delivery, all Services shall be "CALEA Compliant," meaning that they will comply with the provisions of the Communications Assistance for Law Enforcement Act (Pub. L. 103-414, Title 1, October 25, 1994, 108 Stat. 4279, as amended), as well as any regulations or industry standards which implement the provisions of the law.
- 17.4 Verizon represents, warrants, and covenants that no service performed by Verizon pursuant to this Agreement shall be provided, directed, controlled, supervised, or managed, and no data relating to any such service shall be stored, at, in, or through a site located outside of the United States.

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, TITLE, NONINFRINGEMENT OF THIRD-PARTY RIGHTS, OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.

#### 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 and Limitation of Liability

- Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other 20.1 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 (a) 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 or (b) a violation of Applicable Law by an 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:
  - The Indemnitee: (a) shall give the Indemnifying Party written notice 20.2.1 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 non-provision of Services under this Agreement. Notwithstanding the foregoing, Customer shall have no such indemnification obligation in connection with Claims for which Verizon agrees to indemnify Customer under Section 20.1 above, provided such Claims are not claims for damages that would otherwise be barred by Section 20.5 below. The terms of Section 20.2 shall also apply to this Section 20.4.

- 20.5 NEITHER PARTY, NOR ITS AFFILIATES, OFFICERS, OR EMPLOYEES OF ANY OF THE FOREGOING SHALL BE LIABLE TO THE OTHER, THE OTHER PARTY'S CUSTOMERS, OR TO ANY PERSON, FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTIAL, RELIANCE, PUNITIVE DAMAGES, OR OTHER LIKE DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR 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, SHOULD HAVE KNOWN, OR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE FOREGOING LIMITATION SHALL NOT APPLY WITH RESPECT TO SECTION 12 ABOVE WITH RESPECT TO GROSSLY NEGLIGENT OR WILLFUL DISCLOSURES IN VIOLATION THEREOF.
- 20.6 Each Party's obligations under this Section 20 shall survive expiration, cancellation or termination of this Agreement.
- 20.7 Subject to Section 20.5, the Parties agree that the limitations of liability set forth in the Tariffs shall not apply to Claims brought pursuant to Sections 20.1 or 21.2 hereof.

#### 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 license agreement between the Parties granting such rights.
- 21.2 Verizon shall defend Customer, its parents, subsidiaries and affiliates, and its and their respective directors, officers, partners, employees, agents, successors and assigns from all claims, suits, demands arising from or relating to any actual or alleged infringement or misappropriation of any U.S. patent, trademark, copyright, trade secret of a third party or any actual or alleged violation of any other intellectual property or proprietary rights of a third party arising from or in connection with the Services performed under and during the Term of this Agreement or their use ("IP Claim) and agrees to indemnify and hold harmless Customer, it parents, subsidiaries and affiliates from any damages, liabilities, expenses (including, but not limited to, reasonable fees and disbursements of counsel and court costs), judgments and penalties finally awarded against Customer, its parents, subsidiaries and affiliates as result of an IP Claim; provided that Customer promptly notifies Verizon of the existence of an IP Claim, tenders to Verizon the sole control of the defense and any settlement of the IP Claim and provides Verizon with all reasonable assistance requested by Verizon. So long as Customer's actions do not impair Verizon's defense of the IP Claim, Customer shall be afforded the rights set forth in Section 20.2.4 in connection with any IP Claim. Verizon will have no obligation for (a) any costs, fees or expenses incurred

by Customer without Verizon's prior written consent; (b) any allegation, assertion, or claims of contributory infringement or inducement to infringe arising out of or related to any IP Claim; or (c) any indirect, special, consequential or incidental damages arising out of any Claim. Any obligation on the part of Verizon to defend and indemnify will not apply to any IP Claim or portion thereof that arises from (i) any negligent or willful act or omission by or attributable to Customer; (ii) use or operation of the Verizon supplied Services in combination with equipment or services provided by Customer or any third party, provided the infringement would not have occurred but for the combination; (iii) any addition to or modification of the Verizon supplied Services by Customer, any third party or Verizon at Customer's request; (iv) use by or for the benefit of Customer of other than the then current unaltered release of any software used in the Verizon supplied Services; or (v) any equipment, system, product, process, method or service of Customer which otherwise infringed the U.S. patent or copyright asserted against Customer prior to the supply of the Services to Customer by Verizon under this Agreement.

- 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 If any Services or materials provided to Customer by Verizon and required for Customer to use the Services (the "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.
- 21.5 Each Party's obligations under this Section 21 shall survive expiration, cancellation or termination of this Agreement, and shall not be subject to the two (2) year time limitation set forth in Section 38.2 below.

#### 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 other operational or system interfaces.

#### 24. Service Failures

- 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, a degradation of Service that fails to meet any performance specifications that may be set forth in an Attachment to this Agreement, and failures, mistakes, omissions, interruptions, delays, errors, defects or the like, occurring in the course of the provision of any of the Services under this Agreement.
- 24.2 The Parties agree that the Service Attachments may contain certain service credits or other remuneration associated with Service Failures. Accordingly, Customer agrees that any credits or other remuneration provided in accordance with any Service Attachment attached hereto are reasonable and valid amounts to compensate Customer for all of its costs and expenses associated with Service Failures, and further Customer agrees not to contest the validity or reasonableness of such amounts, or the application of such amounts in any forum.
- 24.3 Except as otherwise stated 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 recurring charge for the Services that are subject to the Services Failure for the period in which such Services Failure occurs.

#### 25. Notices

Except as set forth in Section 31.6 hereof, any 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:

Cellco Partnership d/b/a Verizon Wireless

2785 Mitchell Drive Walnut Creek, CA 94598

Attn: Director - Transport and Interconnection

Facsimile: 925-279-6621

With a copy to:

Cellco Partnership d/b/a/ Verizon Wireless

1120 Sanctuary Parkway

Alpharetta, GA 30004

Suite 150

Attn: MTS – Network Facsimile: 770-797-1037

With a copy to:

Cellco Partnership d/b/a Verizon Wireless

295 North Maple Avenue

Basking Ridge, New Jersey 07920

Attn: Senior Counsel - Procurement and Technology

Facsimile: 908-559-7127

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) calendar 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 unauthorized 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 Except as set forth in any Attachment hereto, Verizon will, at its expense, provide, install, operate, repair, maintain and control the equipment necessary to provide Service to Customer. Unless otherwise set forth and mutually agreed to by the Parties when ordering the Service in accordance with Section 10, Verizon will provide Service to the location where the Service ends as defined under Applicable Law.
- 26.3 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.
- 26.4 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.
- 26.5 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. Neither Party will adjust, remove, relocate, align, or attempt to repair, the other Party's equipment except as expressly authorized in advance in writing by that Party. Subject to Section 20.5 above, each Party will be liable for any loss or damage to the other Party's equipment arising from that Party's negligence, intentional act, or unauthorized maintenance.
- 26.6 Facilities owned and 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.
- 26.7 In the event Verizon's equipment is installed at any Customer location pursuant to this Agreement, unless otherwise agreed to by Customer in writing, such equipment will be used exclusively for the purpose of providing Services to Customer pursuant to this Agreement. If such equipment is at a Customer location, access will be provided per Section 37 ("Plant and Work Rules and Right of Access").
- 26.8 Except as may be mutually agreed upon by the Parties, upon termination or disconnection of a circuit at Customer's request, Verizon will, at its sole cost, promptly remove any of its equipment related to such circuit and not required in order to provide a Service to Customer, returning Customer's or its customers' property, where applicable, to its original condition, reasonable wear and tear excepted.

#### 27. Publicity and Use of Trademarks or Service Marks

Neither Party shall refer to itself as an authorized representative of the other Party in promotional material, advertising or otherwise. Further, unless otherwise agreed to by the Parties in writing, neither Party shall use the logos, trade marks, trade names, service marks, or any variations thereof of the other Party or its Affiliates in any of its promotional material, advertising or otherwise. Customer is explicitly authorized to use only the following statements in its sales literature or in response to an inquiry by Customer's end user: (a) "[Customer Name] utilizes the Verizon network", (b) "[Customer Name] utilizes Verizon's facilities", (c) "Verizon provides only the network facilities", and (d) "Verizon is our network services provider".

## 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 Persons furnished by either Party shall be solely the employees or agents of such Party and shall be under the sole and exclusive direction and control of such Party. They shall not be considered employees of the other Party for any purpose. Each Party shall be responsible for compliance with all Applicable Laws involving its respective employees or agents, including (but not limited to) employment of labor, hours of labor, health and safety, working conditions and payment of wages. 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 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 With respect to any purchase of Services hereunder, if any federal, state or local government tax, fee, surcharge, or other tax-like charge excluding any tax levied on property or net income (a "Tax") is required or permitted by law, ordinance or tariff to be collected from Customer by Verizon, then (a) Verizon will bill, as a separately stated item, Customer for such Tax, (b) Customer will timely remit such Tax to Verizon, and (c) Verizon will remit such collected Tax to the applicable governmental authority as required by Applicable Law.
- 31.2 If Verizon does not collect a Tax because Customer asserts that it is not responsible for the Tax or is otherwise excepted from the obligation, and such assertion is later determined by formal action to be wrong then, as between Verizon and Customer, Customer will be liable for such uncollected Tax and any interest due and/or penalty assessed on the uncollected Tax by the applicable taxing authority or governmental entity.
- 31.3 If either Party is audited by a taxing authority or other governmental entity the other Party agrees to reasonably cooperate 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.
- 31.4 If a purchase of Services hereunder is excluded or exempted by law from a Tax, and if such law also provides an exemption procedure, such as an exemption certificate requirement, then, if Customer complies with such procedure, Verizon will not bill or collect such Tax during the effective period of the exemption. Such exemption will be effective upon receipt of the exemption certificate.
- 31.5 Verizon will be responsible for personal property or ad valorem taxes on property owned by Verizon, and Customer will be responsible for such taxes on property owned by Customer. Each Party is responsible for properly reporting owned property and neither Party will be responsible for either reporting or paying personal property or ad valorem taxes owed by the other Party.
- 31.6 All notices, affidavits, exemption certificates or other communications required or permitted to be given by either Party to the other under this Section 31, will be made in writing and will be delivered by U.S. mail, and sent to the following address:

Basking Ridge, NJ 07920 Attn: Anthony Melone

To Verizon:

Tax Administration Verizon Communications One Verizon Way – 3<sup>rd</sup> Floor

VC53S221

Basking Ridge, NJ 07920

Either Party may from time-to-time designate another address or addressee by giving notice in accordance with the terms of this Section.

Any notice or other communication will 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.

# 35. Disaster Recovery and Contingency Preparedness Plan

Verizon shall maintain disaster recovery and contingency plans consistent with regulatory and industry practices. Verizon shall have and maintain a disaster recovery plan ("Plan") consistent with industry practices applicable to Service which will apply in the event of a catastrophe or Service Outages. This Plan should include how Verizon plans to respond and recover to the situation, normalize operations, and mitigate effects of future outages or catastrophes.

#### 36. INSURANCE

- Verizon shall maintain, during the term and each renewal or extension of this Agreement, at its own expense, the following insurance:
  - 36.1.1 Worker's Compensation and related insurance as prescribed by the law of the state in which the work is performed;
  - 36.1.2 Employer's liability insurance with limits of at least \$2,000,000 each occurrence;
  - 36.1.3 Comprehensive general liability insurance (including products liability insurance) and, if the use of automobiles is required, comprehensive automobile liability insurance, each with limits of at least \$3,000,000 for combined single limit for bodily injury, including death, and/or property damage;
- 36.2 The insuring carriers and the form of the insurance policies shall be subject to approval by Customer. Such policies shall be primary and non-contributory by Customer. Customer shall be named as an additional insured on all such policies. Verizon shall furnish to Customer certificates of such insurance within ten (10) days of the execution of this Agreement. The certificates shall provide that thirty (30) days prior written notice of cancellation of the insurance to which the certificates relate shall be given to Customer. The fulfillment of the obligations hereunder in no way modifies Verizon's obligations to indemnify Customer.
- 36.3 Verizon shall also require Verizon's subcontractors, if any, who may enter upon Customer's premises to maintain insurance policies with the same coverage and limits as those listed in Article 22.1 above, and to agree to furnish Customer, if requested, certificates or adequate proof of such insurance. Certificates furnished by Verizon's subcontractors shall contain a clause stating that Customer is to be notified in writing at least thirty (30) days prior to cancellation of the policy.
- In the event Verizon is self-insured, in lieu of Certificates of Insurance as stipulated in Article 22.2 above, Verizon shall provide to Customer such information as may be required by Customer to ensure appropriate levels of coverage.

#### 37. PLANT AND WORK RULES AND RIGHT OF ACCESS

- Anyone acting on behalf of one Party, while on the premises of the other, shall comply with all plant rules, regulations and premises owner's standards for security, including (when required by U.S. government regulations) submission of satisfactory clearance from U.S. Department of Defense and other federal authorities concerned.
- 37.2 Each Party shall permit reasonable access during normal working hours to its facilities in connection with the Service. Reasonable prior notice shall be given when access is required.

37.3 If Verizon is given access, whether on-site or through remote facilities, to any Customer computer or electronic data storage system in order for Verizon to accomplish the Services called of Verizon's access to and use of Customer's computer and electronic data storage systems shall be deemed to be, and shall be treated as, Customer Confidential Information under applicable provisions of this Agreement. Customer reserves the right to monitor such actions by Verizon and Verizon agrees to cooperate with Customer in the investigation of any apparent unauthorized access by Verizon to Customer's computer or electronic data storage systems or unauthorized release of Confidential Information by Verizon.

#### 38 Dispute Resolution

- 38.1 To the extent feasible, the Parties desire to resolve disputes arising out of or relating to this Agreement without litigation. Accordingly, the Parties agree to use the following alternative dispute resolution procedures with respect to any controversy or claim arising out of or relating to this Agreement or its breach thereof. The Parties will endeavor to informally resolve the dispute within ninety (90) days after the date of the Dispute Notice, as provided for in Section 38.2.
- 38.2 <u>Dispute Notice</u>: Each Party agrees to promptly notify the other Party in writing of a dispute ("Dispute Notice"). Such Dispute Notice shall be sent in accordance with the Notices Section of this Agreement. A Dispute Notice must be submitted to the other Party for any dispute arising under or related to this Agreement within two (2) years of the date the claim arises or such claim shall be barred.
- 38.3 Except for an action seeking a temporary restraining order or an injunction, or to compel compliance with this dispute resolution process, the Parties agree to use the following dispute resolution procedures with respect to any controversy or claim under this Agreement.
- 38.4 <u>Informal Resolution of Disputes:</u> At the written request of a Party, each Party will appoint a knowledgeable, responsible representative, empowered to resolve such dispute, to meet and negotiate in good faith to resolve any dispute under this Agreement. The Parties intend that these negotiations be conducted by non-attorney, business representatives. The location, format, frequency, duration, and conclusion of these discussions shall be left to the discretion of the representatives. Upon agreement, the representatives may utilize other alternative dispute resolution procedures such as mediation to assist in the negotiations. Discussions and correspondence among the representatives for purposes of these negotiations shall be treated as Confidential Information developed for purposes of settlement, exempt from discovery without the concurrence of all Parties. Documents which are not prepared for purposes of settlement, nor identified in or provided with such communications, are not so exempted and may, if otherwise discoverable, be discovered and, if otherwise admissible, be admitted in evidence in the resolution of a formal dispute.
- 38.5 <u>Formal Dispute Resolution:</u> If negotiations fail to produce an agreeable resolution within ninety (90) days, or a shorter period as may be mutually agreed to by the Parties, then either Party

may proceed with any remedy available to it pursuant to law, equity, or agency mechanisms or as otherwise mutually agreed by the Parties. Each Party reserves any rights it may have to seek judicial review of any ruling made by a state commission concerning this Agreement.

38.6 <u>Continuous Service:</u> The Parties shall continue to perform their obligations under this Agreement during the pendency of any dispute resolution procedure hereunder, including the payment of all amounts not subject to a bona fide dispute; provided, however, that neither Party shall be required to act in an unlawful manner.

[Signature Page Follows]

## **SIGNATURE PAGE**

AGREED AND ACCEPTED

Cellco Partnership d/b/a Verizon Wireless

Title:

3/19/0> Date:

Verizon Services Corp., on behalf of the Verizon Operating Telephone Companies

identified in Attachment 1

Title: Ville President - Marketing and

Affiliate Sales

Date: February 1, 2007

#### **Attachment 1**

#### Verizon Operating Telephone Companies

Verizon Delaware LLC, a Delaware limited liability company

Verizon Florida LLC, a Florida limited liability company

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

#### Customer ACNAs

AKR MRY BAM NOH BAM NVC CCE NYM PPM CCE CMO PTM COQ PUL CRR RMB CUM RMB CUM RUL CYB TDQ DMR UNV DTC VRZ DUG **EBA EBA FMN GMT GMT** GRC GTE LSC

MOB