



REDACTED

**SERVICE AGREEMENT**  
(Intrastate ICB)

Customer Name	Microsoft Corporation ("Customer")	Main Billing Tel. No:	425-882-8080
and address:	One Microsoft Way, Redmond, WA 98052	Agreement No.	2007-409081

**Services.** Customer hereby requests and agrees to purchase from Verizon Northwest Inc. ("Verizon") the services identified in Exhibit(s) A and B attached to this Agreement, and in any Addendum expressly made a part hereof, and as further described in Verizon's applicable tariff WN U-17 General and Local Exchange Tariff, (the "Services") for the service period stated in the Exhibit or Addendum applicable to such Service (the "Service Period"), subject to Verizon's receipt of any necessary regulatory and other governmental approvals required to provide the Services under the terms hereof. The Services will be provided under the terms of this Agreement to the Customer locations specified in the Exhibit(s) and Addenda attached to or made a part hereof. In the event of a conflict between the provisions of this Agreement and a Verizon tariff, the provisions of this Agreement shall control provided, however, that where applicable law requires a Verizon tariff to supersede conflicting provisions of the Agreement, then the tariff will take precedence to the extent required by applicable law.

**Charges.** Customer will pay the rates and charges set forth in the attached Exhibit(s) and in any Addendum made a part hereof, and shall also pay all applicable taxes, fees, and charges, including Federal End User Common Line Charges, charged pursuant to applicable law, regulations, or tariffs in connection with the Services. If Customer cancels or terminates this Agreement or any Services prior to expiration of the Service Period, Customer will promptly pay to Verizon termination charges as set forth in the applicable Exhibit(s) and Addendum(a). Any tariffed back billing limitations otherwise applicable to the Services shall not apply under this Agreement.

**Notices.** Notices under this Agreement shall be sent by first-class U.S. mail, postage prepaid, to Customer at the address specified above, and to Verizon at Verizon National Contracts Repository, MC:HQW02L25, 700 Hidden Ridge, Irving, TX, 75038, with a copy to Greg Hill, Account Manager, 701 5<sup>th</sup> Ave. Suite 500, Seattle, WA 98104. Notices shall be deemed effective five business days after such mailing.

**Miscellaneous.**

- (a) Neither party will disclose the terms of this Agreement to any other person without the prior written consent of the other party, except as may be necessary to comply with applicable law, regulation, or filing requirements (see also Exhibit A, Section 5(f) page 4 and Exhibit B, Section 5(f) page 7).
- (b) In the event of a claim or dispute, the law and regulations of the jurisdiction in which Verizon provides to Customer the particular Service that is the subject of such claim or dispute shall apply. This Agreement and its provisions shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions.
- (c) No liability shall result from Service failures caused by fires, floods, severe weather, acts of government or third parties, strikes, labor disputes, inability to obtain necessary equipment or services, or other causes beyond such party's reasonable control.
- (d) If any provision of this Agreement or the provision of any Service under the terms hereof is illegal, invalid, or otherwise prohibited under applicable law or regulation in any State or jurisdiction, or does not receive any governmental or regulatory approval required by law in any State or jurisdiction, then this Agreement shall be construed as if not containing such provision or requiring the provision of such invalid, illegal, prohibited, or unapproved Service in such State or jurisdiction. If such provision is material, the parties shall negotiate a replacement provision that complies with applicable law and regulation. If the parties are unable to agree on a replacement provision, either party may terminate this Agreement without liability to the extent that such termination complies with applicable law and regulation.
- (e) Verizon may assign or transfer part or all of this Agreement to any affiliate or successor to substantially all of its assets in the locations where Service is provided hereunder. Upon reasonable prior written notice to Verizon, Customer may assign or transfer this Agreement to any company that is the successor to substantially all of its assets, provided all charges for Services provided prior to such transfer or assignment are paid in full when due. Except as otherwise required by applicable law or regulation, all other attempted assignments shall be void without the prior written consent of the other party.
- (f) Except as otherwise required by applicable law or regulation, the Services provided hereunder may not be resold by Customer.



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**Tariffs and Limitation of Liability.** The terms and conditions that shall apply in connection with these Services, and the rights and liabilities of the parties, shall be as set forth herein and in all applicable tariffs now or hereafter filed with the applicable state regulatory commission and/or the Federal Communications Commission. In no event shall Verizon be liable for any special, indirect, incidental, or consequential damages arising in connection with this Agreement or the provision of any Services, whether claim is sought in contract, tort (including negligence), strict liability or otherwise. This Agreement (including the Exhibits attached hereto and any Addenda made a part hereof) and all applicable tariffs constitute the entire agreement between the parties and shall supersede all prior oral or written quotations, communications, negotiations, representations, understandings or agreements made by or to any employee, officer, or agent of any party on the subject matter hereof. This Agreement may not be modified or rescinded except by a writing signed by authorized representatives of each party.

**AGREED AND ACCEPTED:**

Microsoft Corporation (Customer)

By [Signature]  
Name/title JIM DuBois / GM  
Date 7-24-07

Verizon Business Network Services Inc.  
On behalf of Verizon Northwest Inc.

By [Signature]  
Name/title Suleiman Hessami VP-PCM  
Date 7/24/07

**Reviewed by  
Microsoft Legal**



**Verizon company name:** Verizon Northwest Inc. (referred to in this Exhibit as "Verizon")  
**State:** Washington  
**Customer name:** Microsoft Corporation  
**ICB Case No.:** 2007-409081

Customer is currently receiving Integrated Service Digital Network (ISDN) Primary Rate Interface (PRI) service pursuant to an agreement filed under Contract No. 1280ICB, effective June 10, 2004 in Docket No. UT-011681 ("Existing Agreement"). The expiration date of the Existing Agreement is August 9, 2007.

Customer must sign and date this Agreement on or before July 17, 2007 or the service being provided by the Existing Agreement will revert to tariff rates, terms and conditions.  
 Customer must sign and date this Agreement on or before August 29, 2007 or the proposed ISDN PRI Service arrangement and pricing will no longer be available.

1. **Services and Quantity Commitments.** Customer agrees to purchase the following ISDN PRI Services from Verizon at the rates set forth below and in quantities set forth below for the Service Period identified below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, under separate individual case basis agreement or formal amendment to this Agreement.

Initial Quantity	Service Item	Monthly Unit Rate	Non-Recurring Charge / Unit
	Integrated Service Digital Network Primary Rate Interface (Port Only) *		
	Measured Rate PRI Port with 23B and 1 D channel	\$193.00	See Note 5(e)(v) Below
120	Flat Rate PRI Port with 23B and 1 D channel	\$350.00	See Note 5(e)(v) Below

\* Customer is presently subscribing to underlying transport service provided by Verizon. "Port Only" ISDN PRI service requires Customer to continue to subscribe to underlying transport service provided by Verizon throughout the Service Period of this Agreement. Alternatively, the parties might negotiate an amendment to this Agreement for the provision of ISDN PRI service that includes a transport capability or Customer could elect to subscribe to a tariffed ISDN PRI service with a transport capability. The above charges DO NOT include Federally mandated Subscriber Line Charges, any other applicable tariff charges or catalog rates or charges, or any local, state, or federal fees, taxes, or surcharges.

**Minimum Commitment and Shortfall.**

Customer must maintain a minimum quantity of (i) ninety-six (96) ISDN PRIs in-service at all times during the first consecutive twelve months of the Service Period, (ii) fifty (50) ISDN PRIs in-service at all times during the second consecutive twelve months of the Service Period and (iii) thirty (30) ISDN PRIs in-service at all times during the third consecutive twelve months of the Service Period (each a "Minimum Commitment" for a "Contract Year"). At the end of each Contract Year, Verizon will examine Customer's account and for each month that the number of ISDN PRIs in-service is less than the Minimum Commitment, Customer will be billed the difference between the Minimum Commitment and the number of ISDN PRIs in-service for a given month times \$350.00 ("Shortfall Charge"). Any such Shortfall Charge shall be due and payable in one lump sum within thirty (30) days of billing.

2. **Effective Date/Regulatory Filing and Review.** This Agreement, and any subsequent amendment(s), shall be filed with the Washington Utilities and Transportation Commission (Commission). This Agreement (and any subsequent amendment(s)) shall become effective on either (a) the thirty-first (31<sup>st</sup>) calendar day after the date of such filing, unless the Agreement (or subsequent amendment) is rejected by the Commission prior to the expiration of thirty (30) calendar days following the date of such filing, or (b) on another date as determined by the Commission. This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may from time to time direct in the exercise of its lawful jurisdiction.

3. **Service or Term Period.** Customer shall purchase such ISDN PRI Services for a period of thirty-six (36) consecutive months from the in-service date. Pursuant to Section 2(b) above, the in-service date shall be August 10, 2007, which is the day after the expiration of the Existing Agreement (see also Section 3 Service or Term Period on Exhibit B).

4. **Termination Charges.** If Customer cancels this Exhibit A at any time during the Service Period, Customer shall pay to Verizon a termination charge equal to thirty five percent (35%) of \$350.00 multiplied by the number of months remaining in the unexpired portion of each Contract Year multiplied by the Minimum Commitment for the affected Contract Year. Any such termination liability charge shall be due and payable in one lump sum within thirty (30) days of billing. Termination charges shall not apply to individual



ISDN PRIs but if the total number of in-service ISDN PRIs falls below the Minimum Commitment, then a Shortfall Charge will apply pursuant to Section 1 above. If Customer cancels this Exhibit A at any time during the Service Period, Exhibit B of this Agreement will automatically terminate and Customer must pay termination charges pursuant to Exhibit B of this Agreement. If Customer terminates this Agreement subsequent to the execution of this Agreement by the Parties but prior to the in-service date, Customer shall pay to Verizon all costs incurred by Verizon for contract and service preparation. Termination charges will not apply if an exception contained in Verizon's applicable tariff applies or under the circumstances described in subpart (d) of the Miscellaneous provisions of the Agreement.

### 5. Additional Provisions.

- a. Conditions. The parties acknowledge that the rates and other terms of this Agreement are premised on Customer's commitments, unique network design requirements, and Customer's service mix, usage patterns and concentration, and other characteristics.
- b. Service Continuation. (i) If, at the time of expiration of the Service Period, a new agreement with Verizon for the ISDN PRI Services is not effective as defined above and Customer has not requested, in writing, discontinuance of the ISDN PRI Services, then the ISDN PRI Services will be reverted to applicable tariff or other Commission-authorized rate(s) for the minimum service commitment period available. The applicable tariff or other Commission-authorized service arrangement will govern the service arrangement prospectively, including rates, terms and conditions, which may include charges for termination prior to the end of the minimum service commitment period. If there is no applicable tariff or other Commission-authorized service arrangement, then the ISDN PRI Service will be disconnected upon the expiration of the ISDN PRI Service period for this Agreement if a new agreement is not effective as defined above; and (ii) If Customer indicates to Verizon in writing that it desires to negotiate a new contract to continue the ISDN PRI Services provided for herein, this Agreement shall automatically be extended for a period not to exceed 60 days from the end of the initial term to allow the parties to finalize a new agreement. Written notice must be provided by Customer at least 30 days prior to the end of the original termination date.
- c. Detariffing. In the event any of the ISDN PRI Services are hereafter detariffed, then the terms of the tariffs in effect immediately prior to such detariffing shall be deemed to be incorporated by reference and shall continue to apply to the provision of the ISDN PRI Service to the same extent as such tariffs applied hereunder prior to such detariffing.
- d. Facilities. Additional charges may be required if suitable facilities are not available to provide ISDN PRI Services at any locations, or if any additional work, services, or quantities of ISDN PRI Services are provided. In the event installation of additional network facilities is required to provide ISDN PRI Services, Verizon will inform Customer of such applicable charges, and Verizon will install such facilities only upon mutual written agreement of the parties to such additional charges. If Customer does not agree to pay such additional charges, then the portion of this Agreement that would have required the installation of such facilities will be subject to termination by Verizon or Customer without application of the termination charges described above.
- e. Other Customer Commitments or Special Terms and Conditions.
- (i) Rates for ISDN PRI do not include the Call by Call trunk feature or DSI transport between Verizon's central office and Customer's designated location(s).
  - (ii) Measured rate ISDN PRI are subject to the Measured Usage Rates for local calling described in Verizon's WN U-17 General and Local Exchange Tariff. Calls placed to points within the local calling area are subject to the Measured Usage charges. In addition, calls placed to points outside the local calling area are subject to (intraLATA or interLATA) applicable toll charges from Verizon or other service providers.
  - (iii) Flat rate ISDN PRI is not subject to the Measured Usage rates for local calling described in Verizon's tariff. Calls placed to points outside the local calling area are subject to normal (intraLATA or interLATA) toll charges.
  - (iv) Measured rate ISDN PRI and flat rate ISDN PRI must be billed on separate billing accounts.
  - (v) As this Agreement provides for a continuation of ISDN PRI Service provided pursuant to an existing agreement, there are no non-recurring charges for ISDN PRI installed as of the in-service date of this Agreement. Except for applicable tariff service order charges, non-recurring charges do not apply to additional ISDN PRI installed after the in-service date of this Agreement but before the start of the third Contract Year provided that the additional ISDN PRI remains in service for at least twelve (12) consecutive months. If such additional ISDN PRI does not remain in service for at least twelve (12) consecutive months, Customer will be required to pay all applicable tariffed non-recurring charges that were otherwise waived. For ISDN PRIs added during the third Contract Year, all tariffed non-recurring charges will apply.
  - (vi) Additional Service: Customer may add ISDN PRI Service at the rates set forth herein from the in-service date of the Agreement. Any ISDN PRI Service added to this Agreement as set forth herein shall be coterminous with the Agreement.
- f. Each Party shall keep all information designated as confidential that is received from the other Party in confidence, and shall not disclose such information to a third party, unless required by law, prior timely notification of which requirement(s) for disclosure shall be given to the affected Party, or unless and until such information becomes publicly available through no fault of the party receiving it or is independently developed without the use of or reference to, the confidential information. If a Party retains a third party for purposes of assisting it in managing or implementing its obligations under this Agreement, then this Agreement may be disclosed to such third party provided specific written notice is provided to the other Party and the disclosing Party retains responsibility and liability for managing the third party's use of the information under appropriate non-disclosure agreement and other safeguards. Customer requests that its identity be kept confidential and not publicly disclosed by Verizon or the Commission, unless required by law.



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6. Locations. The ISDN PRI Services shall be provided to Customer under the terms hereof at Customer locations served by Verizon's Redmond and Kirkland central offices and within Verizon's tariffed exchange service areas in Washington. Other Customer locations served by other Verizon central offices may be added to this Agreement only upon mutual assent of the parties.

Microsoft Building 11 3635 157 <sup>th</sup> Ave NE Redmond, WA 98052	Microsoft Building 17 3801 159 <sup>th</sup> Avenue NE Redmond, WA 98052	Microsoft Building 31 3730 163 <sup>rd</sup> Ave NE Redmond, WA 98052
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Exhibit B

**Verizon company name:** Verizon Northwest Inc. (referred to in this Exhibit as "Verizon")

**State:** Washington

**Customer name:** Microsoft Corporation

**ICB Case No.:** 2007-409081

Customer currently has eight (8) blocks of ten thousand (10,000) Direct Inward Dialing (DID) Station Numbers in-service under an agreement filed under Contract No. 1280ICB, effective 6/10/04 in Docket No. UT-011681 ("Existing Agreement"). The expiration date of the Existing Agreement is August 9, 2007.

Customer must sign and date this Agreement on or before July 17, 2007 or the service being provided by the Existing Agreement will revert to tariff rates, terms and conditions.

Customer must sign and date this Agreement on or before August 29, 2007 or the proposed DID Service arrangement and pricing will no longer be available.

**1. Services and Quantity Commitments** Customer agrees to purchase the following DID Services from Verizon at the rates set forth below and in quantities set forth below for the Service Period identified below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, under separate individual case basis agreement or formal amendment to this Agreement.

Quantity	Service Item	Monthly Unit Rate	Non-Recurring Charge / Unit
8 (See Note 5(e)(iii) Below)	Block of 10,000 Direct Inward Dialing (DID) Station Numbers	\$1,000	See Note 5(e)(ii) Below
Variable	Block of 10 DID Station Numbers	\$2.00	See Note 5(e)(ii) Below
Variable	Block of 100 DID Station Numbers	\$12.50	See Note 5(e)(ii) Below

The above charges DO NOT include Federally mandated Subscriber Line Charges, any other applicable Intrastate or Interstate tariff or catalog rates or charges, or any local, state, or federal fees, taxes, or surcharges.

**Minimum Commitment and Shortfall.**

Customer must maintain a minimum quantity of one (1) block of ten thousand (10,000) DID Station Numbers in-service at all times during the term of this Agreement ("Minimum Commitment"). In the event Customer reduces the number of DID Station Numbers in-service to a quantity below the Minimum Commitment, Customer will still be required to pay the monthly unit rate for one (1) block of ten thousand (10,000) DID Station Numbers.

**2. Effective Date/Regulatory Filing and Review.** This Agreement, and any subsequent amendment(s), shall be filed with the Washington Utilities and Transportation Commission (Commission). This Agreement (and any subsequent amendment(s)) shall become effective on either (a) the thirty-first (31<sup>st</sup>) calendar day after the date of such filing, unless the Agreement (or subsequent amendment) is rejected by the Commission prior to the expiration of thirty (30) calendar days following the date of such filing, or (b) on another date as determined by the Commission. This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may from time to time direct in the exercise of its lawful jurisdiction.

**3. Service or Term Period.** Customer shall purchase such DID Services for a period of thirty-six (36) consecutive months from the in-service date. Pursuant to Section 2(b) above, the in-service date shall be August 10, 2007, which is the day after the expiration of the Existing Agreement.

**4. Termination Charges.** If Customer cancels this Exhibit B at any time during the Service Period, Customer shall pay to Verizon a termination charge equal to twenty-five percent (25%) of the applicable monthly rate for the Minimum Commitment multiplied by the number of months remaining in the unexpired portion of the Service Period. Any such termination liability charge shall be due and payable in one lump sum within thirty (30) days of billing. If Customer cancels this Exhibit B at any time during the Service Period, Exhibit A of this Agreement will automatically terminate and Customer must pay termination charges pursuant to Exhibit A of this Agreement. If Customer terminates this Agreement subsequent to the execution of this Agreement by the Parties but prior to the in-service date, Customer shall pay to Verizon all costs incurred by Verizon for contract and service preparation. Termination charges will not apply if an exception contained in Verizon's applicable tariff applies or under the circumstances described in subpart (d) of the Miscellaneous provisions of the Agreement.



**5. Additional Provisions.**

- a. **Conditions.** The parties acknowledge that the rates and other terms of this Agreement are premised on Customer's commitments, unique network design requirements, and Customer's service mix, usage patterns and concentration, and other characteristics.
- b. **Service Continuation.** (i) If, at the time of expiration of the Service Period, a new agreement with Verizon for the DID Services is not effective as defined above and Customer has not requested, in writing, discontinuance of the Services, then the DID Services will be reverted to applicable tariff or other Commission-authorized rate(s) for the minimum service commitment period available. The applicable tariff or other Commission-authorized service arrangement will govern the service arrangement prospectively, including rates, terms and conditions, which may include charges for termination prior to the end of the minimum service commitment period. If there is no applicable tariff or other Commission-authorized service arrangement, then the DID Service will be disconnected upon the expiration of the Service Period for this Agreement if a new agreement is not effective as defined above; (ii) If Customer indicates to Verizon in writing that it desires to negotiate a new contract to continue the DID Services provided for herein, this Agreement shall automatically be extended for a period not to exceed 60 days from the end of the initial term to allow the parties to finalize a new agreement. Written notice must be provided by Customer at least 30 days prior to the end of the original termination date.
- c. **Detariffing.** In the event any of the DID Services are hereafter detariffed, then the terms of the tariffs in effect immediately prior to such detariffing shall be deemed to be incorporated by reference and shall continue to apply to the provision of the DID Service to the same extent as such tariffs applied hereunder prior to such detariffing.
- d. **Facilities.** Additional charges may be required if suitable facilities are not available to provide DID Services at any locations, or if any additional work, services, or quantities of DID Services are provided. In the event installation of additional network facilities is required to provide DID Services, Verizon will inform Customer of such applicable charges, and Verizon will install such facilities only upon mutual written agreement of the parties to such additional charges. If Customer does not agree to pay such additional charges, then the portion of this Agreement that would have required the installation of such facilities will be subject to termination by Verizon without application of the termination charges described above.
- e. **Other Customer Commitments or Special Terms and Conditions.**
- (i) DID Service shall be provided to Customer's Designated location at Redmond, Washington which is Customer's main campus location. Customer's service demarcation point will be located in Verizon's Redmond central office facility.
  - (ii) There are no non-recurring charges for DID Station Numbers as set forth in Verizon's WN U-17 General and Local Exchange Tariff.
  - (iii) Existing DID Station Numbers (Blocks of 10,000): 425-703-xxxx; 425-421-xxxx, 425-705-xxxx, 425-706-xxxx; 425-707-xxxx; 425-708-xxxx; 425-722-xxxx; 425-727-xxxx. Customer may add additional Blocks of 10,000 DID Station Numbers at the monthly unit rate specified in the table in Section 1 at any time during the Service Period.
  - (iv) Existing DID Station Numbers: 425-882-8080 to 8089, 425-895-7990 to 7999, 425 936-1010 to 425 936-1929, 425 936-2150 to 425 936-2159, 425 936-2230 to 425 936-2239, 425 936-3200 to 425 936-3209, 425 936-3450 to 425 936-3459, 425 936-3590 to 425 936-3599, 425 936-7320 to 425 936-7329, 425 936-7890 to 425 936-8009, 425 936-8050 to 425 936-8059, 425 936-8440 to 425 936-8449, 425 936-8820 to 425 936-8839, 425 936-9070 to 425 936-9079. Provided Customer maintains the ISDN PRI Minimum Commitment set forth in Section 1 of Exhibit A of this Agreement, the monthly unit rate specified in the table in Section 1 of this Exhibit B will apply to any of the preceding Blocks that are in-service.
  - (v) Subject to availability, and contingent upon receiving all necessary approvals from the North American Numbering Plan Administration (NANPA) and the Commission, additional DID Station Numbers may be ordered under this Agreement. When ordered, additional quantities must be ordered in blocks of 10,000 numbers.
  - (vi) Customer provided switching systems must handle calls to all assigned numbers including those that are not currently used with specific stations. Calls to numbers not currently used with specific stations must be routed by the Customer to a recorded announcement referring the caller to another number.
- f. Each Party shall keep all information designated as confidential that is received from the other Party in confidence, and shall not disclose such information to a third party, unless required by law, prior timely notification of which requirement(s) for disclosure shall be given to the affected Party, or unless and until such information becomes publicly available through no fault of the party receiving it or is independently developed without the use of or reference to, the confidential information. If a Party retains a third party for purposes of assisting it in managing or implementing its obligations under this Agreement, then this Agreement may be disclosed to such third party provided specific written notice is provided to the other Party and the disclosing Party retains responsibility and liability for managing the third party's use of the information under appropriate non-disclosure agreement and other safeguards. Customer requests that its identity be kept confidential and not publicly disclosed by Verizon or the Commission, unless required by law.



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6. Locations. DID Services shall be provided to Customer under the terms hereof at the following locations, which are in Verizon's tariffed exchange service areas in Washington. Other Customer locations may be added to this Agreement only upon mutual assent of the parties.

Microsoft Building 11 3635 157 <sup>th</sup> Ave NE Redmond, WA 98052	Microsoft Building 17 3801 159 <sup>th</sup> Avenue NE Redmond, WA 98052	Microsoft Building 31 3730 163 <sup>rd</sup> Ave NE Redmond, WA 98052
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