

**MASTER SERVICES AGREEMENT**

**THIS MASTER SERVICES AGREEMENT**, hereinafter called "Agreement", is hereby entered into as of the date last signed, by and between \_\_\_\_\_, Charlotte, NC 28288, hereinafter called "\_\_\_\_\_", and **VERIZON SERVICES CORP**, 1310 N. Courthouse Road, Arlington, Va. 22201, on behalf of its affiliate companies furnishing services, 1310 N. Courthouse Road, Arlington, VA 22201, hereinafter called "Vendor or Verizon". Specific terms and conditions governing the provision of services shall be set forth in applicable Exhibits to this Agreement.

\_\_\_\_\_ agrees to purchase and Vendor agrees to furnish the services as described in the Attachments and Exhibits to this Agreement (the "Services") under and in accordance with the terms and conditions set forth in this Agreement and Verizon's applicable filed and effective tariffs, as amended from time-to-time, subject to Verizon's receipt of all necessary regulatory approvals from regulators of competent jurisdictions. Any services provided to \_\_\_\_\_ on an individual case basis shall be offered in the Verizon territories where Verizon is lawfully authorized to provide such individual case basis rates, terms and conditions. Interstate services, if any, shall be subject to Applicable Laws of the United States, including, but not limited to, the Communications Act of 1934, as amended, 47 U.S.C. §151 *et seq.*, and regulations and orders promulgated thereunder by the Federal Communications Commission. Intrastate Services shall be subject to Applicable Laws of the various States in which such Services are provided, including, but not limited to, regulations and orders promulgated thereunder by the respective state regulatory commissions.

This Agreement shall cover intrastate services as to which Vendor has lawful authority to offer customers under rates, terms and conditions that differ from those contained in Vendor's filed and effective tariffs, ("Individual Case Basis Authority" or "ICB Authority"). Services under ICB Authority may be added to this Agreement under ICB rates, terms and conditions upon the mutual written agreement of the parties. Intrastate services not subject to ICB authority shall not be provided under this Agreement, but shall be provided under the rates, terms and conditions of Vendor's filed and effective tariffs.

IN CONSIDERATION of the mutual promises, covenants, and agreements made and contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Definitions:** When used herein with initial capitalizations, whether in the singular or in the plural, the following terms shall have the following meanings:

"Change Order" = A document issued by \_\_\_\_\_ after the Effective Date of this Agreement to change the method, manner or the performance of the work, the Specifications, or Work Orders within the general scope of services provided under this Agreement.

"Deliverables" = The expected functionality, result(s) to be achieved or the product to be provided upon completion of the Services. Specific project Deliverables are described in the Specifications or Work Orders.

"Effective Date" = The date that each party signs the Agreement and, in the event state commission approval is required in a state, the date that such approval is received in that state. "Specifications" = \_\_\_\_\_ Local Telecommunications Services Request for Proposal dated December 8, 2004, and Vendor's Response thereto, including all attachments thereto and all documents incorporated therein by reference.

"\_\_\_\_\_ and all banks and other organizations which are or hereafter become subsidiaries of, or otherwise controlled by, \_\_\_\_\_ and any bank or other organization which may hereafter acquire a controlling interest in \_\_\_\_\_ or any of its subsidiaries.

"\_\_\_\_\_ Representative" = A \_\_\_\_\_ employee designated to coordinate Vendor's performance hereunder.

"Work Order" = A document issued hereunder by \_\_\_\_\_ to Vendor setting forth a description of specific services to be performed, the performance schedule, a list of the personnel required from Vendor, the applicable fees, and the name of the \_\_\_\_\_ Representative.

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2. **Eligibility for Service.** The terms and conditions set forth in this Agreement are available only if all the following conditions are satisfied:
- (i) Customer has spent at least \$15,000,000 on a multistate basis with Vendor for intrastate telecommunication services over the prior calendar year (2004);
  - (ii) Customer has had installed at least 17,500 Centrex lines for a period of at least 10 years;
  - (iii) Customer has had installed at least 200 PRI lines for a period of at least 5 years;
  - (iv) Customer has subscribed to Corporate Rewards for a period of at least 2 years; and
  - (v) during the first 3 months of this Agreement, Customer agrees to keep installed at least 17,500 Centrex lines and 200 PRI lines in Verizon's access territories; over the first twelve months of this Agreement, Customer shall retain an average of 10,000 Centrex lines per month; and for the thirteenth through the eighteenth month of this Agreement, Customer shall retain an average of 5,000 Centrex lines per month.

The parties agree that \_\_\_\_\_ currently satisfies the above eligibility criteria set forth in (i); (ii) and (iii) and (iv).

3. **Statement of Work:** Vendor warrants that the Services shall be performed in a workmanlike manner and Verizon will use commercially reasonable efforts to provide the Services substantially in accordance with the Specifications or Work Orders and, for tariffed services, substantially in accordance with service descriptions under Vendor's applicable filed and effective tariffs. Vendor further warrants that the Services and any Deliverables will not infringe against any third party's patent, copyright, trade secret, or other proprietary rights, in accordance with the Infringement Indemnity provision in paragraph 14 of this Agreement.
4. **Warranties:** EXCEPT AS EXPRESSLY SET FORTH UNDER THIS AGREEMENT, VENDOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE PARTIES RESPECTIVE RIGHTS AND OBLIGATIONS REGARDING THE INFRINGEMENT WARRANTY AND ANY BREACH THEREOF, IS SET FORTH IN PARAGRAPH 14 OF THIS AGREEMENT.
5. **Fees:** \_\_\_\_\_ agrees to pay the applicable fees provided in the Specifications or Work Orders in U.S. dollars at the address on invoices. If provided in the Specifications or Work (Service orders) Orders, \_\_\_\_\_ shall reimburse Vendor for transportation (except for normal commuting), lodging, and subsistence for travel authorized in advance by \_\_\_\_\_. Travel expenses will be paid only in accordance with the effective policy of \_\_\_\_\_ covering such expenses.
6. **Term:** Except as otherwise set forth in the Exhibits to this Agreement, The initial term of this Agreement shall be for a period of two years commencing on the later of the date that the Agreement is last executed by the parties or the date that this Agreement receives regulatory approval in a state where regulatory approval is required and ending no later than 2 years thereafter; provided, however, that this Agreement may thereupon be renewed for two additional one year terms until such time as either party notifies the other party in writing of its intention to terminate this Agreement at least thirty (30) days prior to the end of the then current term.
7. **Delays:** Vendor shall proceed diligently to complete installation of the Services in accordance with the Specifications or Work Orders. \_\_\_\_\_ will not begin paying for the Services until such Services are installed and available for \_\_\_\_\_ use. In the event Vendor is solely responsible for causing a delay in installing any scheduled Services established in the Specifications or Work Orders, through no fault of \_\_\_\_\_ Vendor will pay \_\_\_\_\_ for missed installation dates in accordance with the SLA criteria, attached as Exhibit 33, which remedy shall be \_\_\_\_\_ sole recourse hereunder for any such delay. In the event \_\_\_\_\_ causes a delay in any scheduled Services established in the Specifications or Work Orders, the parties agree to renegotiate an extension of the schedule equal to at least the duration of the delay.



8. **Remedies:** Services are "non-conforming" when particular Services do not meet the Vendor service descriptions and requirements for the Services, as set forth herein and under Vendors applicable tariffs. If the Services are Non-conforming through no fault of [redacted], its employees, contractors or agents or due to non-scheduled maintenance, [redacted] may require Vendor to, at Vendor's expense, re-perform, repair or replace Non-conforming Services. If the Non-conforming condition for the affected Service meets the criteria for Service Level Agreement ("SLA") credits, Vendor will provide such credits to [redacted], in accordance with the SLA in Exhibit 33. If Vendor's Services are Non-conforming and coextensive with serious and repeated failures that constitute a Chronic Service Failure, as that term is defined in Exhibit 33, and Vendor fails to undertake reasonable steps to correct such Chronic Service Failure after written notice and reasonable opportunity to do so, then [redacted] may, at its option, (i) disqualify Vendor from consideration for additional [redacted] contracts, and (ii) exercise its rights under Section 41 of this Agreement to terminate the Services affected by such Chronic Failure. These remedies are exclusive remedies with respect to any Non-conforming Service.
9. **Service Level Agreements.** The Service Level Agreements are made part of this Agreement as set forth in Exhibit 33.
10. **Change Orders:** Vendor shall comply with a Change Order to the extent mutually agreed upon by the parties. No Change Order shall become effective until Vendor evidences its acceptance of such Change Order by promptly executing the acceptance copy of such Change Order and returning such acceptance copy to [redacted]. Vendor shall promptly notify [redacted] no later than ten (10) business days (for local telecommunications exchange services) following receipt of any such Change Order of any objections to the Change Order. [redacted] shall be responsible for the payment of any additional charges or costs associated with the requested change. Change orders may be required to be filed with regulatory commissions in certain states and may be considered an amendment to the Agreement.
11. **Business Continuity:** Business Continuity Plans: Vendor shall provide business continuity, disaster recovery, and backup capabilities mutually acceptable to [redacted] and Vendor, involving a geographically diverse secure backup site capable of performing the functions of the primary center, through which Vendor will be able to perform its obligations hereunder with minimal disruptions or delays. Upon request, Vendor shall provide to [redacted] a non-proprietary summary of its written business continuity, disaster recovery, and backup plan(s). Vendor will have, at a minimum, a Network Control Center capable of monitoring network traffic central offices, local loops (where applicable) and Interoffice facilities.. Vendor shall test said plan(s) periodically. [redacted] may require Vendor, at no additional cost to [redacted] to participate at least once annually in the testing of [redacted] own business continuity, disaster recovery, and backup plan(s), insofar as they are applicable and mutually agreed between the parties. [redacted] agrees to pay normal recurring and nonrecurring charges for any specific network services ordered as part of testing or execution of the business continuity, disaster recovery and backup plan(s).
12. **Merger / Acquisition:** In the event [redacted] acquires a new business or operation within the Vendor service area during the term of this Agreement and desires to include the services under this Agreement, Vendor shall review such request and negotiate in good faith to seek an agreement with [redacted] regarding the rates, terms and conditions that would be applicable to such request. In the event it is mutually determined that the inclusion of these services is appropriate, Vendor shall amend this Agreement as appropriate to include such services in this Agreement. Notwithstanding the foregoing, [redacted] acknowledges and agrees that rates for services are quantity and location specific and that merger of the acquired's services, features and associated rates into this Agreement or merger of this Agreement into the acquired's contract shall be subject to and contingent upon Vendor's ability to recover all costs and expenses associated with providing services and Vendor's ability to secure regulatory approvals.
13. **Renegotiation:** Once per annual period, in the event [redacted] demonstrates to Vendor that [redacted] is in receipt of a legitimate acceptable offer from an alternative service provider licensed to operate in all of the areas where the Services and equivalent service quantities as provided under this Agreement are provided, Vendor will have the option to adjust [redacted] then in effect contract rate, subject to any necessary regulatory approval in the affected contract jurisdictions, to meet or exceed the pricing provided in the alternative service provider's offer. If within 60 days from the date [redacted] demonstrates to Vendor that



is in receipt of an offer, and after Vendor agrees to adjust its contract rate(s), Verizon does not adjust its then in effect rates to meet the agreed upon pricing, then the Services affected may be terminated by without liability, except for : (i) payments due under this Agreement up to the effective date of termination; and (ii) any capital or expense costs incurred by Verizon up to the effective date of termination that have not been covered by payments made under this Agreement up to the effective date of termination ("Unrecovered Costs"). The terms "equivalent service" and "equivalent service quantities" refer to those services and service quantities then in effect under this Agreement.

#### 14. Infringement Indemnity.

a. Infringement Indemnity by Vendor. Vendor agrees to indemnify, defend, and hold and its directors, officers, employees, stockholders, contractors and agents (collectively, the "Company Indemnitees") harmless from and against any claims, demands, suits, costs, damages, liabilities, losses and expenses (including reasonable attorneys' and other professional fees) (collectively, "Losses") to the extent they arise from any third party claim that the Services and/or equipment supplied by Vendor to (the "Vendor Supplied Services") infringes a U.S. patent or copyright, is a misappropriation of any trade secret or a violation of any other intellectual property right.

b. Infringement Claims. If an infringement claim as described in 14 a. arises, if Vendor reasonably believes that a claim is likely to be made, or if the use of any Vendor Supplied Service is enjoined, Vendor may at its option and at Vendor's expense: (i) modify the applicable Vendor Supplied Service which is allegedly infringing so that it becomes non-infringing but functionally equivalent; (ii) replace the Vendor Supplied Service which is allegedly infringing with equipment or service that is non-infringing but functionally equivalent; or (iii) obtain for the right to use such equipment or service upon commercially reasonable terms to both parties but at no cost to In the event that none of the foregoing options are commercially reasonable to Vendor, Vendor will cease providing the infringing or violative Vendor Supplied Service and may terminate this Agreement for the affected Services. Vendor shall have no obligation under this Section 14 or other liability to the extent that any infringement claim or portion thereof results from or is alleged to result from: (a) use of the allegedly infringing Vendor Supplied Service or any part thereof in combination with any other equipment, services, software or data not recommended by Vendor, or in any manner for which the same was not designed and not instructed by Vendor to be used in such manner; (b) any addition to or modification or alteration of the Vendor Supplied Service by any person or entity other than Vendor, its approved subcontractors or representatives, or by or a person or entity on behalf of if approved in writing by Vendor (which approval shall not be unreasonably withheld or delayed); (c) any claim arising from any specifications or materials furnished by to Vendor hereunder. (d) continuing the allegedly infringing activity after being notified thereof or after being informed and provided with modifications that would have avoided the alleged infringement, or use of other than the then current unaltered release of any software used in connection with any Vendor Supplied Service; (e) any equipment, system, product, process, method or service of which otherwise infringed the U.S. patent or copyright asserted against prior to the supply of the Vendor Supplied Service; or (f) claims relating to (I) patents owned or licensable now or hereafter by Ronald A. Katz or Ronald A. Katz Technology Licensing, L.P. or by his or its successors or assigns (including assignees or licensees of the right to enforce such patents) .

c. Entire Infringement Obligation of Service Provider. The foregoing states the entire obligation of Vendor to and is sole and exclusive remedy with respect to any claim of infringement of any intellectual property right of any kind.

15. Information Security Standards. shall provide to Vendor a copy of Information Security Standards, and Vendor shall, will review and separately meet with to review and mutually agree to applicable terms in the Information Security Standards document that apply to Vendor's operations.

16. Electronic Incident Reporting. For purposes of this Agreement "Electronic Incident" shall mean any unauthorized action by a known or unknown person which, if successfully completed, attempted, or threatened, should reasonably be considered one of the following: an attack, penetration, denial of service,



disclosure of confidential or other sensitive information, misuse of system access, unauthorized access or intrusion (hacking), virus intrusion, scan of or Vendor's systems or networks, or any other activity that could affect or Vendor's systems or data. Vendor shall report to all known or suspected Electronic Incidents. If an Electronic Incident occurs, Vendor shall immediately notify Incident Management Center at telephone number (selecting Option 2) or other telephone number provided by , and provide the following information: nature and impact of the Electronic Incident; actions already taken by Vendor; Vendor's assessment of immediate risk; and corrective measures to be taken, evaluation of alternatives, and next steps. Vendor shall continue providing appropriate status reports to regarding the resolution of the Electronic Incident and prevention of future such Electronic Incidents. may require that the Services be suspended, connectivity with Vendor be terminated, or other appropriate action be taken pending such resolution.

**17. Taxes:** shall pay all sales, excise, or use taxes due on the transactions hereunder or provide Vendor customary proof that the transactions are exempt from sales taxes. Invoices shall separately identify any tax and shall include either Vendor's sales tax or use tax permit number. Vendor shall pay any other taxes, assessments or fines arising from Vendor's performance or the transactions under this Agreement, including taxes based upon Vendor's net income and penalties imposed due to failure to file or pay collected sales or use taxes (unless such penalties are imposed with respect to taxes that Vendor failed to collect in reliance on a proof of exemption provided to Vendor by ). However, no supplemental charge over and above the government pass through amount (e.g. Universal Service Funding, Primary Interchange Carrier Cost recovery, etc.) or other amounts that may be passed through pursuant to applicable law, will be charged to

**18. Invoices.** Vendor shall send invoices to for all payments due hereunder after the applicable products and/or services have been installed and are available for use.. Vendor shall provide such information on invoices as may be reasonably requested by , including without limitation, a description of the items charged for in the invoice. Invoices shall be subject to approval by the Representative. Vendor will invoice Customer monthly. Payments will be due net thirty (30) days in U.S. dollars at the address listed on the invoice. Other payment terms shall be governed by Verizon's applicable tariffs in each state covered by this Agreement. Vendor shall arrange for an account to receive payment made by electronic transfer, at option, where electronic payment options are available. shall not be liable for payment for any services where billing for such services occurs after the backbilling limitations set forth under any applicable tariff or under each state's laws and regulations. No payment made by shall be considered as acceptance of satisfactory performance of Vendor's obligations under this Agreement, nor shall any payment be construed as acceptance of substandard or Non-conforming products or services or as relieving Vendor from its full responsibility under the Agreement.

**19. Use of Electronic Data Interchange ("EDI"):** and Vendor may (the "Parties", and each a "Party") agree to use EDI communications to conduct purchase, invoicing, or payment transactions ("Transactions") between them using ANSI X12 standards. Currently, Vendor only uses EDI and associated ANSI standards for several of its billing applications. Vendor will work with to use EDI for other applications and if possible, adhere to ANSI standards. The Parties may conduct Transactions directly or through a third party service provider ("Provider"). Each Transaction may be governed by the terms and conditions of virtual documents that include written terms and conditions stated in this Agreement and any other document attached as an Exhibit hereto (the "Documents"), transmitted terms, and this Agreement. Any Document properly transmitted pursuant to this Agreement may be deemed to be a document "in writing" and "signed" by the Party that transmitted the Document. The Parties may, from time to time, by written agreement signed by both Parties, amend the Documents. If the Parties enter into a Transaction that is outside the purpose of the Documents, the terms and conditions of such Transaction shall be determined with reference to applicable state law. In the event that, notwithstanding the foregoing, either Party submits documents to the other Party or executes documents, in connection with a Transaction, then to the extent of any inconsistency between such documents and the terms of this Agreement or the Documents, this Agreement and the Documents shall prevail. The Parties agree to use reasonable security procedures to ensure that transmissions are authorized and to protect their records, and agree to use any security codes assigned in connection with this Agreement to conduct Transactions. In the event a



transmission is garbled or otherwise unintelligible, the receiving Party shall immediately notify the sending Party or if applicable the Provider. In the absence of such notification the sending Party's record of such Document shall control and the electronic transmission of such Document shall be deemed to be accurate. The electronic records made and maintained in the normal course of business by a Party or if applicable the Provider, shall constitute an original of such records when printed. A Transaction shall be initiated by transmission of a Document. No Document shall be received or give rise to any obligation until the Document is accessible at the receiving Party's computer. Upon receipt of any Document the receiving Party shall transmit a functional acknowledgment to verify receipt of the Document. If a Document requires acceptance, such Document shall not give rise to any obligation until acceptance is transmitted by the receiving Party. Each Party shall be responsible for any fees or charges of a Provider it employs and for its expenses to engage in Transactions. A Party may change its election to use or not use a Provider or change a Provider by thirty (30) days prior written notice to the other Party. Any risk of loss arising from transmission of information in connection with a Transaction shall be a risk of the Party initiating the transmission. Neither Party shall have an obligation to maintain or store information for the benefit of the other Party. Neither Party shall be liable to the other for damages, loss, or expense resulting from the electronic transmission of a Document that does not accurately reflect the Document sent.

- 20. Performance and Personnel:** To the extent permitted by Vendor's collective bargaining agreements, Vendor's personnel working at \_\_\_\_\_ locations shall comply with the reasonable rules and requirements of \_\_\_\_\_ that \_\_\_\_\_ communicates to Vendor as may be in effect from time to time, regarding conduct, appearance, cleanliness, and furnishing current company and personnel identification information. Upon the reasonable request of \_\_\_\_\_ and for appropriate and lawful reasons given, Vendor shall investigate allegations of misconduct of any particular Vendor employee on \_\_\_\_\_ premises and upon a finding that such misconduct occurred, reassign or otherwise arrange so that the particular employee or agent of Vendor does not work at any \_\_\_\_\_ location.
- 21. Security:** Vendor, its employees and agents shall comply with all reasonable instructions and directions issued by \_\_\_\_\_ concerning its business operations when Vendor's employees and agents are on \_\_\_\_\_ premises. When Vendor's personnel are on \_\_\_\_\_ premises or have remote access to \_\_\_\_\_ systems, Vendor shall comply with \_\_\_\_\_ building security, information security, safety, and fire protection procedures. If Vendor is provided keys or other access devices, including without limitation codes and passwords, to \_\_\_\_\_ premises, equipment, or systems, Vendor shall protect such keys or access devices and agree to sign any log book kept by \_\_\_\_\_ when Vendor's employees or agents have possession of such keys or access to the systems or equipment, shall account for all such keys and access devices whenever requested to do so by \_\_\_\_\_, and shall return and discontinue use of all such keys and access devices upon request or upon termination of its obligations hereunder. \_\_\_\_\_ may require Vendor's personnel to carry or display identification cards when on \_\_\_\_\_ premises. \_\_\_\_\_ shall have the right to inspect the contents of all containers or packages being brought onto or removed from \_\_\_\_\_ premises.
- 22. Equal Employment:** Both parties agree that they shall not discriminate against any employee or applicant for employment because of race, creed, color, age, sex, national origin, marital status, liability for service in the armed forces, disability due to veteran status, status as veteran of the Vietnam era, or the handicapped, and they shall comply with all the requirements of the Equal Opportunity Clause set forth in Executive Order 11246, as amended, and its implementing instructions, as well as the Rehabilitation Act of 1973 and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as required by applicable state and/or federal law and regulations. In the event that and at such time as \_\_\_\_\_ requests, Vendor shall furnish to \_\_\_\_\_ written certification that Vendor is in compliance with Executive Order 11246 and applicable regulations thereunder. Both parties certify that they do not and shall not maintain facilities for their employees in a segregated manner or permit their employees to perform their services at any location under their control where segregated facilities are maintained, and agree to obtain similar certifications from any subcontractors.
- 23. Minority/Women Owned Businesses.** A "Minority Business" is a business that is at least 51 percent owned, and whose management and daily business operations are controlled, by one or more members of a socially and economically disadvantaged minority group — namely, U.S. citizens who are Black



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Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans. A "Woman-Owned Business" is a business that is at least 51 percent owned by a woman (or women) who is a U.S citizen, controls the business by exercising the power to make policy decisions, and operates the business by being actively involved in its day-to-day management. It is an important policy of \_\_\_\_\_ that Minority and Woman-Owned Businesses have the maximum opportunity to participate in its supplier contracts.

Suppliers who are Minority and/or Woman-Owned Businesses, or who subcontract work to or use such Businesses to provide goods and/or services to their businesses, provide significant value to \_\_\_\_\_. If Vendor is a Minority and/or Woman-Owned Business, Vendor shall inform \_\_\_\_\_ of such status and any change therein. A "Second Tier Supplier" is a business that is used by Vendor to provide goods and/or services under this Agreement. To qualify as a Minority or Woman-Owned Business, the Business must be certified by an official certification agency acceptable to \_\_\_\_\_. Vendor shall supply to \_\_\_\_\_ Supplier Diversity Group copies of official certification documentation for itself and/or its current Second Tier Suppliers before execution of this Agreement, and for new Second Tier Suppliers prior to their providing goods and/or services, and shall promptly inform \_\_\_\_\_ of any change in such status. Vendor's consideration of the competence, ability, experience, and capacity available in Minority and Woman-Owned Businesses as Second Tier Suppliers will be a factor in the evaluation of Vendor's compliance with this Agreement. In addition to low cost and other business considerations, Vendor shall award business to Second Tier Suppliers based upon its \_\_\_\_\_ goal of maintaining an acceptable level of Minority and Woman-Owned Business participation.

It is the policy of \_\_\_\_\_ that Minority and Woman-Owned Businesses (M/WBE) have the maximum opportunity to participate in its vendor contracts. Vendor acknowledges that \_\_\_\_\_ expects Vendor to use M/WBE services whenever reasonably possible in the delivery and support of all products and services offered by Vendor to \_\_\_\_\_ hereunder. The parties acknowledge the difficulty of determining, prior to the execution of this Agreement, realistic goals for M/WBE subcontractors. In light of this, the parties agree that, throughout the Term of this Agreement, the parties shall meet on a quarterly basis to review M/WBE activities through published reports, if any, and discuss any new opportunities that may be available to engage M/WBE businesses.

**24. Confidential Information.** Each party agrees that information concerning the other party's business (including that of all corporate affiliates and subcontractors) is "Confidential Information" and proprietary to each party and shall be maintained in confidence and not disclosed, used or duplicated, except as described in this section. Confidential Information may include, without limitation, lists of, or other information relating to and identified with customers, former or prospective customers or applicants, business volumes or usage, financial information, pricing information, information related to mergers or acquisitions, systems, software, software documentation, software source documents, manuals, formulas, security procedures, practices, specifications, information concerning business plans or business strategy, presentations, proposals, technical and non-technical information including patent, copyright, trade secret, and proprietary information, techniques, sketches, drawings, models, samples, data, inventions, know-how, processes, apparatus, equipment, algorithms, formulae, and all information related to the party's current, future, and proposed products and services, and the subject matter of this Agreement. Each party may use Confidential Information of the other only in connection with performance under this Agreement, including any necessary regulatory filings required under state and/or federal regulation. Except as described in this Agreement, the parties shall not copy Confidential Information or disclose Confidential Information to persons who do not need Confidential Information in order to perform under this Agreement. Each party shall maintain an appropriate information security program and adequate administrative and physical safeguards to prevent the unauthorized disclosure, misuse, alteration or destruction of Confidential Information, and shall promptly inform the other party of any security breach or other incident involving possible unauthorized disclosure of or access to Confidential Information. Confidential Information shall be returned to the party seeking to protect such information upon request of the other party. Confidential Information does not include information that is generally known or available to the public or that is not treated as confidential by the party claiming such information to be confidential, provided, however, that this exception shall not apply to any publicly available information to the extent that the disclosure or sharing of the information by one or both parties is subject to any limitation, restriction, consent, or



notification requirement under any applicable federal or state information privacy law or regulation then in effect. In the event it is necessary for Vendor to disclose Confidential Information to a third party in order to perform Vendor's duties hereunder and [redacted] has provided Vendor with written authorization to do so, Vendor shall disclose only such Confidential Information as is necessary for such third party to perform its obligations to Vendor and shall, before such further disclosure is made: (i) obtain [redacted] written consent (which shall not be unreasonably withheld or delayed); and (ii) deliver to [redacted] a copy, certified by Vendor as being true and correct, of an agreement, acceptable to [redacted] prohibiting the third party's re-disclosure, duplication or reuse of any Confidential Information. If requested by any employee, representative, agent or subcontractor of Vendor shall enter into a non-disclosure agreement with [redacted] to protect the Confidential Information of [redacted]. A breach of either party's confidentiality obligations may cause the aggrieved party to suffer irreparable harm in an amount not easily ascertained. The parties agree that such breaches, whether threatened or actual, will give the non-breaching party the right to obtain equitable relief, i.e., obtain an injunction to restrain such disclosure or use without the requirement of posting a bond, and pursue all other remedies said party may have at law or in equity. Vendor reserves the right to take the position that it is not subject to any obligations under the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. 6801 et seq.), as it may be amended from time to time or the regulations promulgated thereunder ("Graham Leach Bliley" or "GLB"), and that it does not affirmatively seek, need or request Personal Privacy Information as defined in GLB in order to perform its obligations under this Agreement.

**25. Use of Name:** Neither party shall advertise, market or otherwise make known to others any information relating to the subject matter of this Agreement, including mentioning or implying the name of the other, without the prior written approval of the other party. Notwithstanding the foregoing, each party may disclose this Agreement to its affiliates as may be necessary under applicable law and regulation to perform this Agreement.

**26. Indemnification.**

a. Each party (the "Indemnitor") shall defend, indemnify and hold harmless the other party (the "Indemnitee") against all claims and liabilities for damages to third parties imposed on the Indemnitee for bodily injuries, including death, and for damages to real or tangible personal property to the extent caused by the negligent or otherwise tortuous acts or omissions of the Indemnitor, its agents or employees in the course of performance of this Agreement.

b. The indemnification obligations set forth in this Section 26 and in Section 14 hereof are contingent on (i) the Indemnitee providing the Indemnitor prompt, written and reasonable notice of the claims, demands and/or causes of action subject to indemnification ((but the failure to do so shall not relieve indemnitor of any liability hereunder except to the extent indemnitor has been materially prejudiced therefrom)., (ii) the Indemnitee granting the Indemnitor the right to control the defense of the same, and (iii) the Indemnitee's reasonable cooperation with the Indemnitor in defense of the claim, including providing information and assistance in defending the claim at the expense of the indemnitor. Nothing herein, however, shall restrict an Indemnitee from participating in the defense of the claim, demand and/or cause of action at its own cost and expense with counsel of its own choosing. No settlement may be entered into by the Indemnitor on behalf of the Indemnitee which includes obligations to be performed by the Indemnitee (other than payment of money that will be fully paid by the Indemnitor under Sections 14, 26a and 26b hereof) without Indemnitee's prior written approval.

**27. Limitation of Liability.** Neither [redacted] nor Vendor shall be liable to the other party in connection with this Agreement or their performance of any of their respective obligations hereunder for any indirect, special, consequential, exemplary, incidental or punitive damages, whether arising in contract, tort (including a party's negligence), strict liability, or otherwise, including without limitation damages arising from delay, loss of goodwill, loss of or damage to data, lost profits (actual or anticipated), unavailability of all or part of the system, or other commercial or economic loss, even if such party has been advised of the possibility of such damages. Except with respect to the indemnification, Confidentiality and payment obligations under this Agreement, a party's entire liability under this Agreement for any cause whatsoever,





and regardless of the form of action, whether in contract or in tort, shall be limited to the cost of the equipment affected or the pro-rata charges for the affected Service for the period of any Service failure, respectively, giving rise to the claim.

**28. Insurance:** For and during the term of this Agreement and for as long as Vendor is performing its obligations hereunder, Vendor shall secure and maintain at its own expense insurance of the following types and amounts:

A. Commercial General Liability Insurance in an amount of not less than \$1,000,000 per occurrence, subject to a \$2,000,000 aggregate covering, without limitation, bodily injury (including death), personal injury, defamation, property damage including, and without limitation, all contractual liability for such injury or damage assumed by Vendor under this Agreement. This policy shall include products/completed operations coverage.

B. Workers' Compensation in accordance with all federal and state statutory requirements and Employer's Liability Insurance in an amount of not less than \$100,000 per accident for bodily injury and \$1,000,000 per employee/aggregate for disease. Vendor and its underwriter shall waive subrogation against

C. Commercial Automobile Liability Insurance in an amount of not less than \$1,000,000 combined single limit covering bodily injury (including death) and property damage for all owned, hired, and non-owned vehicles used by Vendor.

D. Umbrella Liability Insurance with respect to subsections A, B, and C in an amount of not less than \$10,000,000 combined single limit.

E. Blanket Fidelity Bond with third party liability endorsement in an amount of not less than \$10,000,000 covering the dishonest acts of all Vendor employees, agents or independent contractors performing under this Agreement. shall be named loss payee as respects the Blanket Fidelity Bond.

F. Claims Made Annual Aggregate Errors and Omissions in an amount of not less than \$10,000,000.

its directors, officers, employees, agents, subsidiaries and affiliates and successors shall be named as additional insured on the Commercial General Liability and Automobile Liability and Umbrella policies. All of the foregoing policies shall be issued by insurance companies having an "A" rating or better by A.M. Best Company. These insurance provisions set forth the minimum amounts and scopes of coverage to be maintained by Vendor and are not to be construed in any way as a limitation on Vendor's liability under this Agreement. Vendor shall not self-insure any of its obligations under this Agreement without full disclosure to of its intention to self-insure and without obtaining prior written consent. Any and all deductibles specified in the above-referenced insurance policies shall be assumed by, for the account of, and at the sole risk of Vendor. The insurance coverages shall be primary and will not participate with nor will be excess over any valid and collectable insurance or program of self-insurance carried or maintained by . If Supplier's Commercial General Liability, Automobile Liability, and Umbrella policies do not contain a standard Insurance Services Office separation of insured provision, they shall be endorsed to provide cross-liability coverage. Supplier's Commercial General Liability, Automobile Liability, and Umbrella policies shall have no cross suits exclusion, or any similar exclusion that excludes coverage for claims brought by one insured under the policy against another insured under the policy. Vendor shall furnish Certificates of Insurance issued by the insurance companies, not local agents thereof, evidencing all of the foregoing insurance coverages prior to or upon execution of this Agreement. All of the above-described policies shall provide that no less than thirty (30) days prior written notice of cancellation, material modification, reduction in coverage, or non-renewal shall be given to

In the event that any of Vendor's obligations under this Agreement are to be rendered by persons other than Vendor's own employees, Vendor shall arrange for such persons to forward to prior to commencement of such performance by them, Certificates of Insurance evidencing insurance coverage in such amounts, in such form, and with such insurance companies as are satisfactory to

**29. Good Standing and Permits:** Vendor represents and warrants that it is in good standing in the state of its organization, is qualified to do business in each state in which it proposes to provide products and services, and has all licenses and permits necessary or required to provide such products and services. Vendor shall provide copies or other evidence thereof to upon request. Any fees for licenses and permits



required by law or regulation that may be necessary for Vendor's performance hereunder shall be the responsibility of Vendor.

- 30. Authority:** Vendor and \_\_\_\_\_ each represent to the other that the execution, delivery, and performance of this Agreement by such party have been duly approved by all necessary corporate action, and do not conflict with, or result in a material breach of, the articles of organization or by-laws of such party, any material agreement by which such party is bound, or any law, regulation, rule, judgment, or decree of any governmental instrumentality or court having jurisdiction over such party. Each party further represents that this Agreement has been duly executed by such party and constitutes a valid and legally binding obligation of such party enforceable in accordance with its terms.
- 31. Compliance with Laws:** Vendor warrants that it shall perform its obligations under this Agreement in compliance with all applicable statutes, acts, ordinances, laws, rules, regulations, codes, and standards.
- 32. Force Majeure.** In the event that either party is unable to perform any of its obligations under this Agreement, or to enjoy any of its benefits because of an event wholly beyond its control, including without limitation fire, war, terrorist acts, flood, natural disaster, catastrophic weather, explosion, riot, embargo, labor disputes or strikes, cable cuts not caused by Vendor and an action or decree of a governmental body (a "Force Majeure Event"), the party who has been so affected shall immediately give prompt notice to the other party and shall be excused from such performance to the extent of such caused delays or failures; provided that the party so affected shall use reasonable efforts to mitigate the effects of such Force Majeure events and resume performance whenever such causes are removed or cease. Performance of the obligations for the affected Services under this Agreement shall be temporarily suspended for the duration of the Force Majeure Event. If the period of nonperformance exceeds ninety (90) days from the receipt of such notice, the party whose ability to perform has not been so affected may, by giving written notice, terminate the Services affected by such Force Majeure event, subject to payment of all costs incurred by Verizon to install and provide the terminated services prior to such termination. A delay in delivery due to a Force Majeure Event shall automatically extend the delivery date for a period equal to the duration of such Force Majeure Event. Any warranty period affected by a Force Majeure Event shall likewise be extended for a period equal to the duration of such Force Majeure Event.
- 33. Audit /Monitoring.** \_\_\_\_\_ as well as examiners and representatives of \_\_\_\_\_ regulatory agencies and auditors, who have executed a third party nondisclosure agreement with Vendor and upon reasonable notice to Vendor, but no more frequently than once per year (except that, if \_\_\_\_\_ is required by applicable law to conduct audits of its vendors more frequently, then it may audit as frequently as applicable law requires), will have the right to audit, examine, and inspect Vendor's financial records, and procedures as they pertain to Vendor's performance hereunder and compliance with the terms hereof.
- 34. Audit of Invoices and Billing Errors.** Upon reasonable notice to Vendor, \_\_\_\_\_ audit personnel (including any external audit firms retained by \_\_\_\_\_ so long as they execute a third party nondisclosure agreement with Vendor) shall audit the telecommunication bills and records of Vendor pertaining to the Services provided under this Agreement, to validate that invoices do not contain discrepancies due to overcharging or incorrect charging for Services as well as taxes and regulatory surcharges. The extent of the refund period shall be governed by the statute(s) governing the overbilling of such Services. In the event a discrepancy is found, Vendor shall refund to \_\_\_\_\_ any overpayments, in the form of a credit, and \_\_\_\_\_ shall pay Vendor any underpayments.
- 35. Financial Statements:** Vendor's financial records are available on the following website: investor.verizon.com. If the website changes, Vendor will notify \_\_\_\_\_ within a reasonable period of time.
- 36. Relationship Between the Parties, Employee Matters:** Each party understands that it and its personnel are not employees, agents, or partners of the other party and that each party shall perform its obligations hereunder as an independent contractor. Each party shall be responsible for compliance with all applicable employment-related laws and regulations including, but not limited to, the payment of wages, salaries, and other amounts due its personnel in connection with their performance hereunder, and shall be responsible



for all payroll reports obligations, including but not limited to withholding, social security, unemployment insurance, workers' compensation, immigration and naturalization, and similar items. This Agreement and the transactions referred to herein were negotiated in an "arms length" manner. The parties warrant that this Agreement and such transactions have not been procured through unfair or unethical conduct. This Agreement is solely for the benefit of the parties hereto and no other persons.

- 37. Subcontracts, Assignment:** If Vendor subcontracts any portion of its obligations under this Agreement without [redacted] prior written approval of the subcontractor, then Vendor shall be responsible for the performance of the subcontracts. Neither party may assign, in whole or part, any of its benefits or obligations under this Agreement to any affiliate or successor to substantially all of its assets in the locations where Services are provided hereunder without the other party's prior written consent, which consent shall not be unreasonably withheld. [redacted] may assign any benefits or obligations under this Agreement, including without limitation the right to obtain and use products and services hereunder, to any "affiliate" (as defined in 11 U.S.C. 101(2)) of [redacted]. The assignor under such assignment by [redacted] shall remain liable under the Agreement.
- 38. Agreement Terms Order Of Precedence:** This Agreement, vendor's final response to the RFP, and Verizon's applicable filed and effective tariffs, as amended from time-to-time, shall become a part of the final agreement to establish the intent of the parties. If a discrepancy exists between this Agreement, final response to the RFP and applicable tariffs, the Agreement and final response to the RFP shall take precedence over conflicting terms in applicable tariffs unless applicable laws or regulations require such tariffs to take precedence, in which case the tariffs shall take precedence. If a Vendor fails to file or have any of the applicable tariffs or contract approved for the services under this Agreement, if legally required to do so, within the allotted time, [redacted] may withdraw award and proceed with award of any category(s) of Services affected by such failure to the next qualified vendor.
- 39. Applicable Law, Venue:** This Agreement shall be governed by and interpreted in accordance with the laws of North Carolina, except where a state's regulatory body requires that the governing law be under applicable laws of the governing state, without giving effect to its conflicts of laws principles. The exclusive venue in any judicial action or proceeding arising out of or relating to this Agreement shall be the state or federal courts located in Mecklenburg County, North Carolina. Each party in any judicial action or proceeding shall be responsible for its own costs, including without limitation, filing fees, attorney's fees, witness fees, expert fees, and travel expenses.
- 40. Severability, Waiver, Survival:** Any invalidity, in whole or in part, of any provision of this Agreement shall not affect the validity of any other of its provisions to the extent consistent with applicable law and regulation. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Failure to exercise a right or remedy at law or granted hereunder shall not be deemed a waiver of such right or remedy. Failure to claim default hereunder shall not waive any default. Termination of this Agreement shall not release either party from their respective obligations hereunder with regard to products or services already delivered or performed, including, without limitation, **obligations** of payment.
- 41. Termination for Cause.** If, as set forth in Section 8 of this Agreement, Vendor materially or repeatedly defaults in the performance of any of its material duties or material obligations under Section 8, and said default is not substantially cured within thirty (30) days after written notice specifying the default is given to Vendor, or, with respect to those defaults that cannot reasonably be cured within thirty (30) days, if Vendor fails to provide in writing within thirty (30) days of notification to [redacted] reasonable plan and completion date for curing such default and thereafter proceeds with all due diligence to substantially cure the same in accordance with such plan and by such completion date, then [redacted] may, by giving written notice thereof to Vendor, terminate the Services that are the subject of the default, as specified in such notice of termination. With respect to Services currently being provided to [redacted] as of the Effective Date, if [redacted] terminates any such Service pursuant to this paragraph, then [redacted] shall pay all regular recurring charges for those Services incurred up to the effective date of the notice specifying the default and any Unrecovered Costs with respect to such Services for which documented Unrecovered Costs have not been recovered, except that: (i) [redacted] shall not be required to pay any such



Unrecovered Costs if recovery of such Unrecovered Cost is not required under applicable law or regulation and (ii) the aggregate amount of Unrecovered Costs which Customer shall be obligated to pay in the event that it terminates any Services being provided to [redacted] as of the Effective Date pursuant to this Section 41 shall not exceed \$15,000.

If [redacted] defaults in the performance of any of its material duties or material obligations set forth in this Agreement, including [redacted] failure to pay for Services provided under this Agreement that are not subject to a *bonafide* billing dispute within 90 days of Verizon's billing for such Services, and said default is not substantially cured within thirty (30) days after written notice specifying the default is given to [redacted], or, with respect to those defaults that cannot reasonably be cured within thirty (30) days, if [redacted] fails to provide in writing within thirty (30) days of notification to Vendor a reasonable plan and completion date for curing such default and thereafter proceeds with all due diligence to substantially cure the same in accordance with such plan and by such completion date, then Verizon may, by giving written notice thereof to [redacted], terminate the Services that are the subject of the default, as specified in such notice of termination, and [redacted] shall pall all regular recurring charges for those Services provided prior to the date of termination and any termination liability due under this Agreement.

In addition to the foregoing: (i) if, during the term of the Agreement or any extension period thereof, [redacted] primary federal banking regulatory agency formally objects to the relationship with Vendor established hereunder, the parties will work in good faith to amend the Agreement to conform to such regulatory agency's regulations, and, if notwithstanding such negotiation, the parties cannot reach agreement or the objection of such agency cannot be overcome, then either party may terminate the affected Services under this Agreement without penalty upon thirty (30) days written notice, (ii) if either party's credit rating drops to below a Standard and Poors BBB rating subsequent to the Effective Date of this Agreement and as a result thereof, if Vendor, Vendor's ability to provide Service is materially and adversely affected, or if [redacted] ability to pay for Services hereunder is materially and adversely affected, or (iii) if either party becomes or is declared insolvent or bankrupt, is the subject of any proceedings relating to its liquidation or insolvency or for the appointment of a receiver for it, makes an assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the composition, extension, or readjustment of all or substantially all of its obligations, then the other party may, by giving written notice thereof to such party, terminate this Agreement as of a date specified in such notice of termination, except that, in each such event, with respect to Services currently being provided to [redacted] as of the Effective Date, if [redacted] terminates any such Service pursuant to this paragraph, then [redacted] shall pay all regular recurring charges for those Services incurred up to the date of such termination and any Unrecovered Costs with respect to such Services for which documented Unrecovered Costs have not been recovered, except that (i) [redacted] shall not be required to pay any such Unrecovered Costs if recovery of such Unrecovered Cost is not required under applicable law or regulation and (ii) the aggregate amount of Unrecovered Costs which Customer shall be obligated to pay in the event that it terminates any Services being provided to [redacted] as of the Effective Date pursuant to this Section 41 shall not exceed \$15,000..

With respect to Services not provided under this Agreement as of the Effective Date, the parties shall negotiate cost recovery provisions as may be required by applicable law or regulation that will apply in the event of a termination of any such Services for cause, and such provisions will be set forth in the applicable Exhibit for such Services.

42. **Termination Assistance:** In connection with the termination of this Agreement for any reason, and notwithstanding any dispute between the parties, Vendor shall provide to [redacted] such termination assistance, in the form of continuation of the Services, as [redacted] may reasonably request in order to provide an orderly transition from Vendor to another supplier, for a period not to exceed six (6) months following termination. If any such termination assistance requires resources in addition to those being used by Vendor hereunder, [redacted] shall pay Vendor therefore on a mutually acceptable basis. [redacted] shall pay for all products and services provided by Vendor pursuant to this section, provided that if termination was by reason of a payment default by [redacted], Vendor shall be entitled to reasonable



assurances acceptable to prior to commencing such terminative assistance that it will be fully compensated therefore.

43. **Notices:** All notices or other communications required or contemplated herein shall be sufficient and deemed delivered if in writing and deposited with the United States Postal Service, postage prepaid via certified mail, addressed to the parties as set forth below, or to such other address as may be changed from time to time by notice duly given.

To: Verizon National Contract Repository  
700 Hidden Ridge, MC:HQW02L25  
Irving, TX 75038  
Fax: (972) 718-8121

To:

Attention:

cc:

Attention: Strategic Sourcing

44. **The Agreement:** This Agreement, including the Attachments and Exhibits attached thereto, all documents pertaining to the RFP that are mutually agreed to be included between the parties and Verizon's applicable tariffs constitute the entire agreement of the parties on the specific subject matter hereof and supersedes all prior representations, understandings and agreements between the parties with respect to such subject matter, and only the signing of the same by both parties shall cause this Agreement to be valid upon the Effective Date. The documents referred to herein and attached hereto shall be read together with this Agreement to determine the parties' intent. If there is a conflict between or among such documents, this Agreement shall be the final expression of the parties' intent. Any amendments to this Agreement must be in a writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

By: _____	VERIZONSERVICES CORP; on behalf of the affiliate companies identified in Exhibits and any addenda made a part thereof
Name: _____	By: <u>Anthony Recuse</u>
Title: _____	Name: <u>ANTHONY RECUSE</u>
Date: <u>9/14/2005</u>	Title: <u>Vice President</u>
	Date: <u>9/16/2005</u>



REDACTED

**SERVICE LEVEL AGREEMENTS ("SLAs")  
 APPLICABLE FOR PRI, CENTREX, INTELLIPATH, CUSTOFLEX, AND OTHER VOICE LINES OF  
 SERVICE UNDER THIS AGREEMENT THAT ARE PROVIDED PURSUANT TO ICB AUTHORITY**

**PERFORMANCE REQUIREMENTS/MEASUREMENTS**

The purpose of performance requirements/measurements is to establish a clear baseline benchmark of service expectations set forth by standards.

Note: serves the right to revisit/modify SLAs for improved performance, based on current performance benchmarks and standard changes as deemed necessary and mutually agreed upon by Verizon and

All service levels and remedies set forth herein, shall over-ride any existing agreements and performance remedies set forth in all Verizon contracts *with respect to services provided under this Agreement and identified below.*

**Business Requirement SLA's**

- 1.1.10 Verizon shall maintain any current certifications with respect to ISO 9001:2000. Demonstration of certification and renewals will be provided via a copy of current certificate to upon contract initiation and ongoing as needed.
- 1.1.11 Provide a copy of the Verizon Organization chart, up through to the Verizon CEO. Also provided, will be a current contact list of account representatives. It is expected that this information remain current throughout the duration of any agreements set forth.
- 1.1.12 expects a dedicated technical service manager be available to address major and/or chronic service problems 24 X 7 (hours x days) via a provided toll free number and escalation procedures set forth by the Verizon and
- 1.1.13 expects a dedicated business relationship manager be available to address major and/or chronic service problems 24 X 7 (hours x days). The business relationship manager will be available for all scheduled and ad-hoc meetings as well as conference calls as needed.
- 1.1.14 expects to be provided a unique electronic email box to submit purchase order requests and business inquires. It is also expected that a toll free number to escalate identified issues be provided.
- 1.1.15 All Verizon representatives assigned are expected to be fully informed and accountable for all account activities and capable of addressing any enterprise, operational, billing and/or administrative issue that may arise.
- 1.1.16 expects that all Verizon representatives are qualified to handle and are capable of fulfilling their respective portion of the contract requirements, including the SOW. Verizon must be able to furnish resumes of key management personnel to account representatives upon request. Proof of applicable certification, as agreed to by both parties in support of the statement of work, for



staff performing any activities for ..... hat require a certified skill-set may also be requested.

- 1.1.17 Verizon shall automatically update ....., when being affected by a major, chronic and catastrophic service problem. Service interruptions will be immediately escalated to the management level. Service Recovery procedures must be in place to re-instate normal or apply reasonable operating procedures, to the extent practicable, within 24 hours of any event/disaster (natural or homeland security related).
- 1.1.18 Verizon shall participate in ..... Supplier Change Management (SCM) process to minimize the impact of Verizon field maintenance activities on ..... production environment (e.g., grooming). Verizon planned maintenance activities that are reasonably expected to adversely impact ..... services, will be communicated to ..... no later than 7 days in advance via the SCM process allowing ..... impact assessment time. If the assessment determines there will be an adverse impact on ....., then Verizon may be requested to reschedule planned changes.
- 1.1.18.1 Verizon shall also be expected to adhere to ..... change and moratorium schedules to mitigate production impact. Verizon changes that are production impacted or impact multiple customers will be exceptions.
- 1.1.19 It is expected that Verizon provide ..... 120 days notice prior to new, or end of life services to ensure technology lifecycle management strategy is managed appropriately and in a timely manner.
- 1.1.20 Verizon shall comply with all applicable regulatory/governance standards required for work performed (e.g., FCC, ANSI, ITU, etc.)

### **Procedural Expectations**

- 1.1.21 Verizon shall develop a Customer Service Guide/Plan with the collaboration of ..... stakeholders that will detail standard processes/procedures and tools used in Wachovia environment. This will be a living document and as changes occur will be updated by Verizon and ..... together. This guide will include the following procedures:
- a) Invoice and Payment Reconciliation Procedures
  - b) Fee Schedules by service type for Expedite and Time & Material Charges (use attached pricing matrix - Ancillary worksheet to respond)



- c) Procurement / Order Processing
- d) Project Management (applicable to this and/or any project)
- e) Problem Management
- f) Escalation procedures for all services to include Financial, Procurement, Problem and General Account Management
- g) Verizon Telecom field maintenance/customer notification (e.g., grooming)
- h) Report Requirements -- expectations are Verizon will continue to provide weekly engineering reporting, PM reporting, Inventory Reporting, Chronic Reporting, Monthly Executive Summary reporting (including financials) and mutually agreeable adhoc reports as requested by at no additional cost.

**Service Level Agreements / Standards**

Performance requirements / Service Level Agreements (SLAs) are established to ensure management and monitoring of Verizon performance/expectations. The Verizon Customer Service Guide for processes and provisions will include language supporting SLAs agreed upon below. Table 1 below defines SLA measurement goals and remedies to be enforced upon commencement of this agreement or until contract end date or terminated by both parties.

- 1.1.22 Verizon shall be accountable for management and performance of 3<sup>rd</sup> party subcontractors, if any, used to perform services under this Agreement and who will also be held to performance standards set forth.
- 1.1.23 Maximum Monthly Credit. The maximum total credit for the aggregate of the service levels stipulated in the SLAs in any calendar month for any Services shall not exceed 100% of the Monthly Recurring Charge (“MRC”) during the calendar month in question for the affected lines of Service. Any Interruptions or failures caused solely by 1) defects or failures in equipment, 2) the actions of personnel or third parties not under Verizon’s control that directly lead to the failure of Services, or 3) a *Force Majeure* event, will not be subject to credits as described in the SLAs.
- 1.1.24 Scheduled Maintenance. Failures in service attributable solely to Verizon scheduled maintenance shall be exempt from service levels described herein. Verizon shall provide written notice of any such scheduled maintenance to at least seven (7) calendar days in advance of the commencement of such maintenance and will reschedule the work if necessary, as outlined in section 1.1.18.

*Note: Formula criteria = Actual calendar days to ensure consistency. All SLAs below will be measured monthly, unless a special request has been made*

Table 1

CATEGORY	SERVICE LEVEL EXPECTATION	MEASUREMENT FORMULA	PERFORMANCE GOAL	PROPOSED REMEDY
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Project Participation	Verizon shall support project utilizing project specific milestone criteria as mutually agreed. It will be the responsibility of Verizon to ensure project milestones are being met. <b>Goal: 98%</b> on time/on budget where participatory.	# Milestones met on mutually agreed schedule/total # milestones within the control of Verizon.	98%	2% of one time project management charge, if quoted, for each day milestone is not completed. (None quoted under this agreement, therefore N/A at this time.)
	Changes in project scope, budget and timeline will be communicated <b>100%</b> of the time. Source of change and approval will be required.	# Changes within the control of Verizon communicated / # changes within the control of Verizon	100%	No Remedy see above requirements
Delivery	All procurement requests will be delivered as mutually agreed upon per order utilizing product delivery intervals. <b>Goal: 98% on time delivery for all products/services under this contract.</b>	Per Incident with Mutually Agreed upon Due Date and Order Confirmation	98%	Waive associated install charge on any specific order Due Date Missed
	Verizon will warrant all delivered services for no less than 90 days per service.	Per Incident	100%	Verizon will Repair or Replace with prompt resolution at no additional costs to
	Verizon will acknowledge all service work orders within <b>24 hours</b> of order receipt to include request for additional information needed to complete order.	# of accurate and complete orders acknowledged within 24 hours / # of accurate and complete orders placed	100%	No Remedy
	Orders will be proactively planned/managed to avoid expediting charges. <b>Goal: &lt;1%</b> per service and total monthly orders	# expedites/total # orders by service	<1%	Expedite Fees may apply to
Support / Problem Resolution	TTR (Time to restore) during Severity 1 condition = <b>4 hours to restore service</b>	PRI and Voice Lines	4hrs	25% of MRC waived for affected lines not restored within 4 hrs during Severity 1; 100% of MRC waived for affected lines not restored within 24hrs during Severity 1



	MTTR by service (Voice/PRI) = < 4hrs monthly average	Sum total time/total number tickets.	<4 hrs	0.5% of MRC for Service Category in that State
	Verizon field maintenance changes (SCM) will be managed and communicated to avoid impact to production environment.	Per Incident	100%	No Remedy, other than MTTR provision above if applicable
Performance	Availability = aggregate measurement of all circuits by service (Voice/PRI) = 99.999% availability per service.	Sum of Total Hours of Circuit Downtime for all Circuits for Month] Aggregate Network Availability = Number of Circuits x 24 hours x number of Days in Month	99.999%	0.5% of MRC for Service Category in that State



## NOTES TO TABLE 1

- The above service level provisions will apply to all service lines provided under this agreement, which consist of the following two categories of intrastate Service, namely, (i) ISDN-PRI lines ("PRI"), and (ii) Centrex, Intellipath, Custoflex, and other voice lines of Service provided hereunder ("Voice" lines), that are provided under this Agreement pursuant to Verizon's authority to apply individual case basis pricing and other terms that vary from applicable tariffs.
- The above service level provisions will not apply to the extent that a failure to meet any requirement is caused by Force Majeure, or by Customer or Customer's employees or equipment, third parties, or causes beyond Verizon's control, or by scheduled maintenance or upgrades, or in States excluded as set forth in Verizon's proposal.
- Measurements will be based on trouble tickets and will be on a "stop clock" or adjusted duration time basis (i.e., the measurement clock is stopped when Customer testing is occurring, when Verizon is awaiting Customer acceptance, during scheduled maintenance or upgrades, or when Verizon is denied access to premises or facilities necessary to diagnose, repair or test). Requests or claims for the service level credits or remedies listed above shall be made within sixty days after the month in which the performance goal was not satisfied.
- All measurements will be performed by Verizon in accordance with its then standard practices for Customer. Performance measurement will reflect an average for all Service provided in that Service category in all jurisdictions covered by this Agreement. Measurement for ISDN-PRI may include ISDN-PRI Services and other data services that are currently included in Verizon's method of measurement of Customer's services. If the required goal is not met as measured across all jurisdictions, then credits described above will be provided only on the affected units of Services in the State(s) where such Service category failed to meet the applicable Performance Standard.
- In the event that any State does not accept Customer total purchase quantities of Verizon local exchange services in all States as a lawful and reasonable rate and service classification, then this Attachment will be subject to the terms of the Agreement section entitled "Severability, Waiver, and Survival" with respect to such State.

**NOTE:** Chronic issue is defined as a line of Service that, during three successive 30-day periods, suffers three separate service outages/troubles during each such 30-day period. Verizon shall proactively monitor chronic trouble reports and proactively advise its plan of action. Verizon shall respond to such issues resolving them within a 30-day period to satisfaction. These will be monitored on a per incident basis. The vendor will resolve chronic situations to satisfaction. If such chronic issue continues after such 90 day period, may terminate the affected line of Service with no termination liability.

### SUPPORT LEVELS

Support levels are assigned to each location at In determining the Support Level designation per site, considered the criticality of business, and the hours of operation. MTTR is determined by on site response requirements and severity levels. Mean Time to Repair is defined as the time to completely resolve a problem from the time it is assigned a severity.



**Support Level Coverage Periods**

	<b>SERVICE EXPECTATION</b>
Level 1	24 X 7X 365: Verizon twenty-four (24) hours a day by seven (7) days a week. Mean Time to Repair is 4 hours with parts on site.
Level 2	12 X 7 X 365: Verizon twelve (12) hours a day by seven (7) days a week. 7 AM to 7 PM. Mean Time to Repair is 8 hours.
Level 3	8 X 5: Eight (8) hours a day by five (5) days a week. Mean Time to Repair is 12 hours.

**SEVERITY LEVELS**

Each operational problem is assigned a Severity Level. These severity levels are independent of support levels and are consistent across all sites. Specific Severity Levels have been defined by \_\_\_\_\_ and are listed below:

Verizon is responsible for assigning resources, tracking, resolving and reporting problem management based on the designated severity levels. Note that the fix criterion is dependent on the severity of the problem.

**Response Time Requirements**

<b>Severity</b>	<b>Definition</b>	<b>Estimated Initial Response Time</b>
1	System is down or effectively unusable as a result of the problem. Problem causes mission-critical impact on the Company's operation with no acceptable workaround or functionality used to perform tasks considered to be essential to Company operations.	Within 30 minutes
2	System is up and running, but the problem cause significant impact and have no acceptable workaround. High impact problem where operation is proceeding, but in a significantly impaired fashion or functionality used to perform tasks considered to be important but not primary to immediate business operations.	Within 2 hours
3	System is up and running and the problem cause only limited or insignificant impact. Important to long-term productivity, but is not causing an immediate work stoppage.	Within 4 hours

**Severity Levels**

<b>SEVERITY</b>	<b>DEFINITION</b>	<b>FIX CRITERIA</b>
One (1)	Highest level of severity indicating the most critical of problems. A problem is classified as a severity #1 when either an entire department's ability to perform mission critical business functions is in jeopardy or unavailable.	Continuous 7 x 24 effort until circumvented or resolved.  Time To Repair – 4 hours from receipt of problem report
Two (2)	A high-level of severity indicating serious problems and/or degrading conditions without immediate impact. A problem is classified as a severity #2 when a department or individual's ability to perform mission critical functions is	Time To Repair - Eight (8) hours



**REDACTED**

SEVERITY	DEFINITION	FIX CRITERIA
	in jeopardy or unavailable but a work around is or can be established within a reasonable time. This also includes a failure in the primary environment of a high availability that puts a function or application at risk of complete failure.	
Three (3)	A medium level of severity indicating a problem exists impacting the business but circumvention allows department functions to continue indefinitely. A problem is classified as a severity #3 when a department or individual's ability to perform job functions may be impacted or inconvenienced but can continue business as normal operations.	Twelve (12) hours



**PRI w/CORPORATE REWARDS/CSP  
APPLICABLE TO EXHIBITS 1-C THROUGH 19-C**

**1. Quantity Commitment and Shortfall/ Ordering Additional Units of Service During Term.** must maintain 200 PRIs installed nationwide in the 19 jurisdictions identified in the attached Exhibits. As long as maintains 200 or more PRIs, may continue to add new PRIs at any time during the Term. Installation charges will be waived for new PRIs provided that the circuits remained installed for a period of 12 consecutive months; if the PRI is disconnected before the minimum 12 consecutive month period, will be billed tariff rates for the installation charges for the PRI.

If falls below 200 lines, will be assessed a shortfall charge equal to 60% of the average national PRI rate in year one of the Agreement, 50% of the average national PRI rate in year two of the Agreement and 40% of the average national PRI rate in year three of the Agreement. National average PRI rate = \$351.26. The shortfall charge/termination liability charge for year 1 is \$210 per PRI, for year 2 is \$176 per PRI and for year 3, \$140 per PRI.

Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, at Verizon's then-current retail rates for this service.

**2. Termination Charges.** If terminates this Attachment, or the Agreement in its entirety, will be charged the applicable rate (\$210 for each month remaining in year 1, \$176 for each month remaining in year 2 and \$140 for each month remaining in year 3) times the minimum commitment of 200 PRIs. Any such Termination Charges shall be due and payable in one lump sum within thirty (30) days of billing.

**3. Effective Date/Regulatory Approval.** Except as otherwise expressly set forth in each Exhibit, the Service under the Exhibits covered by this Attachment shall be effective when this Agreement is executed by the parties.

**4. Additional Provisions.**

- a. The parties acknowledge that the rates and other terms of this Agreement are premised on commitments, unique network design requirements and service mix, usage patterns and concentration, and other characteristics.
- b. In the event any of the Service is 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 Service to the same extent as such tariffs applied hereunder prior to such detariffing.
- c. The Service is available only from offices which have the necessary facilities to provide ISDN on the standard ISDN platform. Additional charges may be required if suitable facilities are not available to provide Services at any locations, or if any additional work, services, or quantities of Services are provided. In the event installation of additional network facilities is required to provide Services, Verizon will inform of such applicable charges, and Verizon will install such facilities only upon mutual written agreement of the parties to such additional charges. If does not agree to pay such additional charges, then this Agreement will be subject to termination, in whole or in part, by Verizon without application of the termination charges described above.
- d. Service Continuation - If, at the time of expiration of the Term, has not executed a new Agreement with Verizon for the Services, or has chosen not to extend the Agreement pursuant to an optional extension of the Agreement, and does not request discontinuance of the Services in writing, then the Services will be continued on a month-to-month basis at the tariff rates then prevailing or, if no tariff is applicable, at Verizon's then-current retail rates.



**ADDENDUM NO. 5 to  
MASTER SERVICES AGREEMENT**

This Addendum No. 5 to that certain Master Services Agreement signed by Corporation ("Customer") on September 14, 2005, and Verizon Business Network Services Inc. d/b/a Verizon Business Services ("Verizon") on September 16, 2005, (the "Agreement"). Addendum No. 1 to the Agreement was signed by Customer on May 16, 2006 and by Verizon on May 18, 2006. Addendum No 2 to the Agreement to add Exhibit 34 (Private Carriage Interstate Dedicated SONET Ring Service) has not been signed by the parties. Addendum No. 3 was signed by the parties on July 19, 2006. Addendum No. 4 to the Agreement was signed on May 1, 2007. The following terms and conditions are hereby added to the Agreement. The terms "herein" or "hereunder" refer to the Agreement and all Addenda and Amendments thereto.

IN CONSIDERATION of the mutual promises, covenants, and agreements made and contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

- 1) Section 2 ("Eligibility for Service") is hereby deleted in its entirety and replaced with the following:

**Eligibility for Service.** The terms and conditions set forth in this Agreement are available only if all the following conditions are satisfied:

- (i) Customer has spent at least \$25,000,000 on a multi-state basis with Vendor for intrastate telecommunication services over the prior calendar year (2006)
- (ii) Customer has had installed at least 17,000 Centrex lines for a period of at least 10 years;
- (iii) Customer has had installed at least 200 PRI lines for a period of at least 5 years;
- (iv) Customer has subscribed to Corporate Rewards for a period of at least 2 years; and
- (v) during this Agreement, Customer agrees to keep installed at least 12,000 Centrex lines and 200 PRI lines in Verizon's access territories

- 2) Section 5 ("Fees") is hereby deleted in its entirety and replaced with the following:

**Fees for Services:** agrees to pay the fees provided in Service Exhibits in U.S. dollars at the address of the Vendor stated on the invoices.

- (a) shall pay no charges for Service provided under this Agreement other than those set forth or incorporated by reference in the applicable Service Exhibit or otherwise agreed upon in writing prior to being incurred. Charges set forth in the Service Exhibits are exclusive of taxes, surcharges or regulatory assessments lawfully imposed by Vendor or which Vendor has the right to impose, subject to Section 17 of the Agreement. Vendor may not impose a toll usage limit on unless as expressly described in a Service Exhibit.
- (b) Vendor shall not require to pay a deposit at any time during the Term.
- (c) Vendor will use commercially reasonable efforts to provide any credits due to (including refunds of overcharges and SLA credits) on the next invoice for the applicable Service Exhibit against amounts then due and owing. Vendor, using commercially reasonable efforts, shall be responsible for validating and processing any credit within thirty (30) days of notification by unless otherwise requested by If a credit exceeds the charges for Service on the invoice to which the credit is to be applied, the balance will be applied in the following month(s) until the credit is used up. If any portion of the credit

remains after the expiration or termination of the relevant Service Exhibit, Vendor will use commercially reasonable efforts to issue the balance to \_\_\_\_\_ by check within thirty (30) days after the credit accrues.

3) Section 6 ("Term") is hereby deleted in its entirety and replaced with the following:

**Term for Services:** (a) The term of this Agreement ("Term") shall commence on the Effective Date, and will expire three (3) years later ("Initial Term"). At the end of the Initial Term, \_\_\_\_\_, in its sole discretion, may renew this Agreement for two (2) additional one (1)-year terms (each a "Renewal Term") by giving Vendor written notice thirty (30) days or more before the expiration of the Initial Term or Renewal Term of its intention to renew. Upon expiration or termination of the Agreement, the terms and conditions of the Agreement will apply to any Service Component. The Initial Term and Renewal Term collectively are referred to as the "Term." Vendor shall give \_\_\_\_\_ written notice of the impending expiration of the Initial Term one-hundred eighty (180) days prior to such expiration, which notice shall include statements reminding \_\_\_\_\_ of its rights to a Renewal Term and of its rights to a Transition Period as set forth in Section 42.

(b) In the event the Agreement expires or \_\_\_\_\_ terminates an Exhibit for Vendor's material breach, Vendor will work with \_\_\_\_\_ to develop and implement a commercially reasonable wind-down and transition plan to be implemented following such expiration or termination under which Vendor will reasonably cooperate with \_\_\_\_\_ and any successor vendor(s). Following the expiration of the Term or Transition Period or the earlier termination of the Agreement by either party for breach of the Agreement, the Agreement will automatically be extended on a month to month basis at the then-current rates, terms and conditions, but either party may terminate the Agreement on at least thirty (30) days' written notice to the other party.

4) Section 12 ("Merger/Acquisition") is hereby deleted in its entirety and replaced with the following:

**Future Acquisitions:** If during the term of this Agreement, \_\_\_\_\_ shall acquire control of, or come under the control of, an entity which has a contract with Vendor for services listed on Exhibit 1 that is covered by this Agreement, the controlling entity, at its option, may immediately cancel one of the contracts if such contract covers the Services listed in Exhibit 1, after which, such controlling entity shall receive the benefits of the remaining contract. If any merger or acquisition results in \_\_\_\_\_ and/or an Affiliate and Vendor having in effect other agreement(s) with the same Services as listed in Exhibit 1 as this Agreement, \_\_\_\_\_ may, at its option, (i) terminate this Agreement or the other agreement(s), in whole or in part (notwithstanding any provisions to the contrary in any such other agreement), without \_\_\_\_\_ and/or any of its Affiliates having any liability or incurring any additional charges, including early termination fees, to Vendor and (ii) require Vendor to enter into appropriate documents to move Vendor's obligations, in whole or in part, from any terminated agreement to any continuing agreement. If \_\_\_\_\_ does move obligations, \_\_\_\_\_ will receive the benefit of any enterprise-wide pricing and any volume discounts even if the agreement containing that pricing or those discounts was terminated. Notwithstanding the language above, with respect to Vendor's Centrex Services, if \_\_\_\_\_ wishes to terminate an existing contract for Centrex Services, the parties agree to engage in good faith negotiations in an effort to minimize both the number of agreements and receive the benefit of any enterprise-wide pricing and any volume discounts. However, no changes will be made with respect to existing contracts for Centrex Services unless agreed to by both parties.

5) Section 15 ("Information Security Standards") is hereby deleted in its entirety and replaced with the following:



**Information Security Standards and Reviews:** Vendor has implemented a commercially-reasonable written information security program intended to (a) prevent, respond to, or otherwise address threats to Vendor's network including without limitation unauthorized access to or use of Vendor's network devices, and (b) protect the confidentiality and integrity of confidential information that resides on Vendor's internal business systems. If requested, Vendor will provide [redacted] with non-sensitive information regarding Vendor's security policies and procedures, including without limitation third-party audit reports or assessments of the effectiveness of Vendor's security controls and procedures to the extent such third-party reports or assessments are available with respect to the services purchased by [redacted]. From time to time but no more than once per calendar quarter, [redacted] may use the Services to test the security of network devices that it owns or operates and which are located on the customer side of the network demarcation point between [redacted] and Vendor's respective networks, and which are not located in any Vendor data center. Before undertaking such testing, [redacted] shall notify Vendor at least three weeks in advance of the desired test date, and [redacted] and Vendor shall enter into a written agreement that will describe the scope and nature of the proposed testing and contain Vendor's standard terms and conditions applicable to such tests.

6) Section 18 ("Invoices") is hereby deleted in its entirety and replaced with the following:

**Invoices:** Vendor shall send invoices to [redacted] for all payments due hereunder for applicable products or Services that have met Acceptance Criteria. Vendor shall provide such information on invoices as may be requested by [redacted], including without limitation, a description of the items charged for in the invoice. Invoices shall be submitted to [redacted] Accounts Payable Division by mail to [redacted] or email to [redacted].

[redacted] shall pay undisputed invoices in U.S. dollars at the address of Vendor stated on the invoice within thirty (30) days of receipt of invoice. Vendor shall arrange for an account to receive payment made by electronic transfer, at [redacted] option. [redacted] shall not be liable for payment of any invoice received more than one hundred twenty (120) days after the applicable products or services have been provided. No payment made by [redacted] shall be considered as acceptance of satisfactory performance of Vendor's obligations, as acceptance of substandard or Non-conforming products or services, or as relieving Vendor from its full responsibility under this Agreement.

7) Section 1 ("Definitions"): is hereby amended to add the following definitions:

"Service Component" means each line, circuit or other unit of Service provided by Vendor via remote access or at a location for which Service is ordered hereunder.

8) **Additional Provisions:** The following provisions are added to the Agreement beginning after the existing Section 44 and incorporated therein by this reference.

45. **New Technologies; Network Optimization:** (a) Vendor acknowledges [redacted] substantial interest in state-of-the-art technologies that offer improved performance and more efficient and cost-effective ways to meet [redacted] communications and related requirements. Vendor agrees to offer to [redacted] such technologies, including in the form of Service Upgrades and Additional Services. Vendor will meet with [redacted] regularly, at no charge, to discuss improvements to Vendor's existing technologies (including the introduction of new or improved features and functions) and the expected commercial availability and implementation of new technologies by Vendor. In the event new features and functions and revisions, enhancements, modifications or improvements to existing Service features and functions during the Term, the parties will discuss

any implementation and costs, if any, related to such improvements. If [redacted] learns (from Vendor or otherwise) of an available service enhancement or improvement, [redacted] may request information from Vendor in order to determine whether it desires to have it implemented by Vendor.

(b) Upon [redacted] written request, members of Vendor's Sales Team shall annually review the cost and efficiency of the Vendor Services provided under this Agreement and make recommendations that Vendor believes will optimize the efficiency and cost-effectiveness of [redacted] communications network. [redacted] shall cooperate by providing appropriate planning information and access to appropriate personnel. Upon the completion of such review, Vendor shall provide [redacted] with a written presentation of its recommendations, including an analysis of the cost savings and other benefits that would result from their implementation. [redacted] shall give reasonable consideration to Vendor's recommendations but shall have no obligation to implement any of them. Vendor shall provide the assistance described in this Section at no additional charge to [redacted].

(c) Pursuant to the terms of an Exhibit attached to the Agreement which has a technology upgrade as an option, in the event [redacted] upgrades technology with a product or service provided by a regulated Verizon ILEC company and meets all other terms and conditions as outlined in the applicable Exhibit regarding a technology upgrade, Vendor shall waive all termination penalties and minimum service commitments associated with the disconnected or removed service.

46. **Service Upgrades:** Vendor shall make Service Upgrades for any Service provided to [redacted] at no additional charge. Vendor shall notify [redacted] as far as reasonably practicable in advance of any proposed Service Upgrade, and shall not, without [redacted]'s written consent, implement any proposed Service Upgrade that would require significant changes to any [redacted] facilities, systems or equipment, materially and adversely affect [redacted] ability to fully utilize the Service, or result in an increase in [redacted] total payments for the Service. The Service will continue to conform to or exceed the Service Levels, except as otherwise explicitly agreed by the parties in writing, after the implementation of any Service Upgrade. "Service Upgrade" means any revision, improvement, enhancement, modification or addition to a Service or Service Component or capability (including increases in the functionality or improvements in performance) that is developed by or for Vendor (or a Subcontractor) and is generally offered by Vendor to its customers without charge (or implemented by Vendor in its networks) subsequent to the initial design of the Service.

47. **Material Modification to Vendor's Network:** If any material modification or reprovisioning of Verizon's network(s) or the Service (including any Service Upgrade or modification of Software) undertaken other than with Customer's consent (i) materially adversely affects Customer's use of the Service; (ii) causes Customer to incur significant costs for or in connection with the Service; (iii) prevents proper operation of a significant portion of Customer's equipment; or (iv) significantly and adversely affects the quality Service, after a thirty (30) day cure period or as otherwise agreed to in writing by the parties, Customer may discontinue the affected Service Components without liability unless Supplier reimburses Customer for the direct costs incurred by Customer as a consequence of Supplier's action (for example, for equipment upgrades). The foregoing shall not apply to emergency changes to portions of Supplier's network, provided that Supplier will notify Customer of such changes at least forty-eight (48) hours in advance of the change, to the extent reasonably practicable.

48. **Ongoing Cooperation:** (a) General. Vendor shall cooperate in planning and implementing the Services and Additional Services in an efficient, cost-effective manner. Such cooperation shall include Vendor's prompt provision to \_\_\_\_\_ of information that \_\_\_\_\_ may reasonably require to carry out its responsibilities hereunder, and reasonable cooperation with third party vendors of products and services to \_\_\_\_\_

(a) Documents and Reports. Upon \_\_\_\_\_ request, at no additional charge and if commercially reasonable, Vendor shall provide documents ("Documents") and reports ("Reports") in the form, content, media and timing contained in the applicable Service Exhibits or SLA. The Documents and Reports will be provided throughout the Term of this Agreement, except to the extent that the parties have agreed to modify the form, content, media or timing of such Documents and Reports or the schedule for their delivery.

(b) Periodic Meetings. The parties will meet at agreed-upon times and at agreed-upon locations to discuss changes to the Tariffs that may apply to \_\_\_\_\_, billing issues, SLA tracking reports, service quality issues, new technologies, any plans by Vendor to undertake network conversions, and any other issues that may affect the Services provided to \_\_\_\_\_. The meetings described in this Subsection shall be in addition to the annual rate review meetings required under this Agreement.

(c) Additional Services. Vendor will inform \_\_\_\_\_ of new or additional products and services that may be offered by Vendor or a third party that markets its products and services through Vendor. All such information provided by Vendor shall be treated as Vendor Confidential Information, subject to the provisions, including exclusions, of Section 50, "Confidential Information".

(d) Procurement by Vendor on Behalf of \_\_\_\_\_ Where \_\_\_\_\_ has authorized Vendor to procure services from local access providers, foreign telephone administrations, public communications operators or other carriers that are required for Vendor to provide the Services to \_\_\_\_\_ and Vendor agrees to undertake such functions as \_\_\_\_\_ limited agent, \_\_\_\_\_ shall execute any letters of agency or other documents necessary for that purpose. Vendor shall prepare such letters of agency, which shall be in a form to be agreed upon by the parties and specific as to scope and expiration date based on the proposed procurement activity. Vendor shall send any letters of agency or similar documents to the \_\_\_\_\_ relationship Manager for approval and execution. Unless otherwise agreed to by \_\_\_\_\_ in writing, any procurement agreement entered into by Vendor on \_\_\_\_\_ behalf pursuant to this Section shall not extend beyond the end of the Term of the Service Exhibit to which such procurement pertains. Nothing in this Subsection shall preclude \_\_\_\_\_ from acting as principal with respect to any procurement on its own behalf.

49. **Enterprise and Geographic Diversity:** If Vendor merges with or is acquired by another telecommunications provider, from whom \_\_\_\_\_ is also purchasing Services, and subsequent consolidation of Vendor networks or network facilities causes \_\_\_\_\_ to lose intentionally designed diversity, \_\_\_\_\_ and Vendor agree to negotiate in good faith an alternative which provides the previous level of diversity at no additional price. Should Vendor be unable to provide the previous level of diversity at no additional price, then \_\_\_\_\_ may disconnect the circuits that were rendered unnecessary without penalty.

50. **Business Downturn /Divestiture:** With respect to the services listed on Exhibit I only, if due to an unexpected business downturn, corporate downsizing, operating efficiency or divestiture of a subsidiary, affiliate or significant operating unit which affects the overall needs of \_\_\_\_\_ for telecommunications services, such that \_\_\_\_\_ will be unable to meet minimum services charges for products or services, Vendor shall waive all termination fees associated with such products and services.

Exhibit 1 -- Services to be offered under the Agreement

The parties agree that the Services listed below shall be offered pursuant to the terms of the Agreement. Corporate Rewards shall also be included within the Agreement, however, the terms of the Agreement will not apply to Corporate Rewards as Corporate Rewards shall be provided to pursuant to the applicable tariff for the Corporate Rewards Service. Any additional Services that may wish to order will be subject to the parties agreeing to a new Exhibit which sets forth the terms and conditions and pricing for such Service. Any new Service can only be added to this Exhibit 1 via a validly executed amendment entered into by the parties.

- 1) DID Number Groups
- 2) DID Trunk Terminations
- 3) Custom Redirect Service
- 4) ISDN PRI Services
- 5) Centrex Services
- 6) Optimail

**The Addendum:** This Addendum and the Agreement, including all documents referred to herein and attached hereto, constitute the entire agreement of the parties on the specific subject matter hereof and supersede all prior representations, understandings and agreements between the parties with respect to such subject matter, and only the signing of the same by both parties shall cause this Amendment to be valid upon the date set forth below. The documents referred to herein and attached hereto shall be read together with this Addendum and the Agreement to determine the parties' intent. If there is a conflict between or among such documents, first this Addendum, then the Agreement shall control. This Addendum and the Agreement shall be the final expression of the parties' intent. Any further addendums to the Agreement must be in a writing signed by both parties.

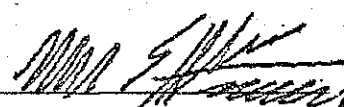
IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth below.



Verizon Business Network Services, Inc.  
on behalf of MCI Communications, Inc.  
d/b/a Verizon Business Services

~~Services Inc. d/b/a~~

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: 9-15-07

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Suleiman Hessami  
VP Pricing/Contract Management  
Date: 09/14/2007

ADDENDUM NO. 8 to  
MASTER SERVICES AGREEMENT

Routing Code: 5V  
CBS/CNE 2009-488307

This Addendum No. 8 to that certain Master Services Agreement signed by ("Customer") now known as \_\_\_\_\_ on September 14, 2005, and Verizon Business Network Services Inc. d/b/a Verizon Business Services ("Verizon") on September 16, 2005, (the "Agreement"). Addendum No. 1 to the Agreement was signed by Customer on May 16, 2006 and by Verizon on May 18, 2006. Addendum No. 2 to the Agreement to add Exhibit 34 (Private Carriage Interstate Dedicated SONET Ring Service) has not been signed by the parties. Addendum No. 3 was signed by the Customer on July 19, 2006 and Verizon on July 21, 2006. Addendum No. 4 to the Agreement was signed by the Customer on April 26, 2007 and Verizon on May 1, 2007. Addendum No. 5 to the Agreement was signed by Customer on September 13, 2007 and by Verizon on September 14, 2007. Addendum No. 6 was signed by Customer on February 29, 2008 and by Verizon on April 1, 2008 and Addendum No. 7 was signed by Customer on July 2, 2009 and by Verizon on July 6, 2009. The following terms and conditions are hereby added to the Agreement. The terms "herein" or "hereunder" refer to the Agreement and all Addenda and Amendments thereto.

IN CONSIDERATION of the mutual promises, covenants, and agreements made and contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

- 1) Add the following new PRI Exhibits to the Agreement:
  - Exhibit 20-C Idaho PRI Services
  - Exhibit 21-C Oregon PRI Services
  - Exhibit 22-C Washington PRI Services
  - Exhibit 23-C Wisconsin PRI Services

- 2) This Addendum 8 shall expire if not executed by the Customer prior to October 31, 2009.

**The Addendum:** This Addendum and the Agreement, including all documents referred to herein and attached hereto, constitute the entire agreement of the parties on the specific subject matter hereof and supersede all prior representations, understandings and agreements between the parties with respect to such subject matter, and only the signing of the same by both parties shall cause this Addendum to be valid upon the date set forth below. The documents referred to herein and attached hereto shall be read together with this Addendum and the Agreement to determine the parties' intent. If there is a conflict between or among such documents, first this Addendum, then the Agreement shall control. This Addendum and the Agreement shall be the final expression of the parties' intent. Any further addendums to the Agreement must be in a writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth below.

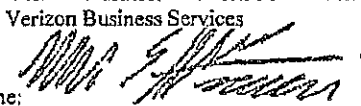
By:	Verizon Business Network Services Inc. d/b/a Verizon Business Services
Name: _____	By:  Name: _____
Title:	Title: Suleiman Hessami
Date: _____	Date: VP Pricing/Contract Management <u>10/1/09</u>
Date: _____	Date: 2009.10.01 06:31:06 -04'00'



Exhibit 22-C  
 Routing Code: 5V

**INDIVIDUAL CASE BASIS AGREEMENT  
 PRI**

Verizon company name: Verizon Northwest Inc. (referred to in this Exhibit as "Verizon")  
 State: Washington  
 Customer name:  
 ICB Case No.: 2009-488307

Customer must sign and date Addendum #8 to the Agreement on or before October 31, 2009 or the proposed Service arrangement and pricing will no longer be available.

1. **Services and Quantity Commitments.** Customer agrees to purchase the following 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 Exhibit. Customer shall provide to Verizon at each Customer location suitable and secure space, with suitable environmental conditions and uninterruptible power supply, building entrance facilities and conduit, for placement of the facilities and equipment to be used by Verizon to provide such Service.

Quantity	Service Item	Monthly Unit Rate	Non-recurring Charge / Unit
10	PRI Access System Measured Voice/Data with DS1 Switched Facility	\$439.78	Tariff
4	PRI Access System - Flat Voice Premium Calling Service/Measured Data with DS1 Switched Facility	\$652.17	Tariff
0	Calling Line ID with Name	\$ 31.22	Tariff
(i)	FX mileage, if applicable, is additional and provided at tariff rates		
(ii)	The term "PRI Port" used herein is defined in various tariffs as "PRI Interface Arrangement" or "PRI Port"		
(iii)	Non-recurring charges ("NRCs") are not applicable for initial Service installation. Applicable tariff non-recurring charges will apply to any move or relocation of an existing Service. Changes from Initial configurations (including PRI/Feature installs), month-to-month PRI NRCs, Feature NRCs, and change charges may apply, per the applicable tariff including PRI/Feature installs) - Month to Month PRI NRCs, Feature NRCs and Change Charges may apply, per the tariff.		

2. **Effective Date/Regulatory Filing and Review.** This Exhibit, and any subsequent amendment(s), shall be filed with the Washington Utilities and Transportation Commission (Commission). This Exhibit (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 Addendum #8 to 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 Exhibit shall at all times be subject to such changes or



**REDACTED**

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 Services for a period of time which is co-terminus with Addendum #5 to the Master Services Agreement, Section 6 "Term". This Exhibit shall expire on December 29, 2010.

**4. Termination Charges.** If Customer cancels this Exhibit in whole or in part or terminates any Services prior to the expiration of the Service Period, Customer shall pay to Verizon a termination charge as specified in Addendum #5 to the Master Services Agreement, Attachment C, Section 2 "Termination Charges". Verizon shall not charge termination liability associated with migrating PRIs to this Exhibit.

**5. Addendum No. 5, Attachment C under Section d. "Service Continuation".**  
This Section shall be revised from its current language to the language below for this Exhibit:

"If, at the time of expiration of the Term, [redacted] has not executed a new Agreement with Verizon for the Services, or has chosen not to extend the Agreement pursuant to an optional extension of the Agreement, and does not request discontinuance of the Services in writing, then the services will be terminated by Verizon unless the applicable tariff allows the Services to revert to a month to month option."

**6. Locations.** The 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 Exhibit only upon mutual written assent of the parties.

Initial Qty	Service Item	Street Address	City	State	ZIP
1	PRI Access System Measured Voice/Data with DS1 Switched Facility		EVERETT	WA	98208
1	PRI Access System Measured Voice/Data with DS1 Switched Facility		WENATCHEE	WA	98801
3	PRI Access System Measured Voice/Data with DS1 Switched Facility		KIRKLAND	WA	98034
1	PRI Access System - Flat Voice Premium Calling Service/Measured Data with DS1 Switched Facility		BOTHELL	WA	98012
1	PRI Access System Measured Voice/Data with DS1 Switched Facility		BOTHELL	WA	98021



REDACTED

1	PRI Access System Measured Voice/Data with DS1 Switched Facility		BOTHELL	WA	98021
1	PRI Access System -- Flat Voice Premium Calling Service/Measured Data with DS1 Switched Facility		REDMOND	WA	98053
1	PRI Access System Measured Voice/Data with DS1 Switched Facility		KIRKLAND	WA	98033
1	PRI Access System Measured Voice/Data with DS1 Switched Facility		KENNEWICK	WA	99336
1	PRI Access System -- Flat Voice Premium Calling Service/Measured Data with DS1 Switched Facility		KENNEWICK	WA	99336
1	PRI Access System Measured Voice/Data with DS1 Switched Facility		BURLINGTON	WA	99336
1	PRI Access System -- Flat Voice Premium Calling Service/Measured Data with DS1 Switched Facility		BURLINGTON	WA	98233

