



SERVICE AGREEMENT

(Intrastate ICH)

Routing Code: 5V

Customer Name and address: [REDACTED] ("Customer")	Main Billing Tel. No: [REDACTED]
	Agreement No. Multistate - See Exhibits

**Services.** Customer hereby requests and agrees to purchase from the Verizon company(ies) identified in the applicable Exhibit(s) ("Verizon") the services identified in Exhibit(s) A, B, C, D, E, F, G, H, I, J, K, L and M attached to this Agreement, and in any Addendum expressly made a part hereof, and as further described in Verizon's applicable tariffs, (the "Services") for the service period set forth below (the "Service Period"), subject to Verizon's receipt of any necessary regulatory and other governmental approvals required to provide the Services under the terms hereof. The Services will be provided under the terms of this Agreement to the Customer locations specified in the Exhibit(s) and Addenda attached to or made a part hereof.

**Charges.** Customer will pay the rates and charges set forth in the attached Exhibit(s) and in any Addendum made a part hereof, and shall also pay all applicable taxes, fees, and charges, including Federal End User Common Line Charges, charged pursuant to applicable law, regulations, or tariffs in connection with the Services. If Customer cancels or terminates this Agreement or any Services prior to expiration of the Service Period, Customer will promptly pay to Verizon termination charges as set forth below or in any Addendum(a). Any tariffed back-billing limitations otherwise applicable to the Services shall not apply under this Agreement. Billing at the rates provided herein shall commence in each state on the date after full execution of this Agreement, when Service is installed and available for Customer's use and Verizon has received any necessary regulatory approvals which may be required to provide the Service pursuant to the rates, terms and conditions herein.

**Minimum Line Obligation, Commitment Amount (Shortfall Liability).** Customer shall be required to subscribe to an overall minimum quantity of eleven thousand, two hundred (11,200) lines of Service at all times during the Service Period or Optional Renewal Period as described below, if applicable (the "Minimum Line Obligation"). Customer's actual quantity of lines of Service in service during the Service Period, (or exercised Optional Renewal Period(s)) under Exhibits A through M. ("Lines of Service") plus Customer's CentraNet, Centrex, CustoPak and CustoFlex 2100 lines of service purchased by Customer pursuant to tariff in Oregon and Michigan ("Additional Lines of Service") shall be aggregated to determine whether Customer has satisfied the Minimum Line Obligation hereunder. Provided however, in order for Customer's Additional Line of Services to qualify toward meeting the Minimum Line Obligation, the Billing Telephone Numbers ("BTNs") associated with such Additional Lines of Service must be identified in Exhibit N. BTNs associated with Additional Lines of Service may be added to Exhibit N during the Service Period of this Agreement by written amendment to this Agreement. If Customer does not meet the Minimum Line Obligation hereunder during each month of the Service Period or Optional Renewal Period(s), Customer will be subject to a Shortfall Liability charge equal to the difference in quantity between the Minimum Line Obligation and the actual number of Lines in Service plus the Additional Lines in Service multiplied by fourteen dollars (\$14.00) (the "Commitment Amount"). Verizon will review Customer's accounts for a Shortfall Liability periodically. Customer will at all times be responsible for charges for the actual number of Lines in Service. The Shortfall Liability charge shall be applied to the BTN identified herein. Shortfall Liability shall not be applied to BTNs associated with Customer's Additional Lines of Service. In the event a shortfall condition exists, Verizon shall apply the total amount of the Shortfall Liability to Customer's BTN [REDACTED] or to another of Customer's BTNs as selected by Verizon. Customer's Additional Lines in Service shall be provided solely pursuant to Verizon's applicable tariff for such service and not this Agreement.

**Effective Date / Regulatory Filing and Review.** Exhibits A - M will be effective in all states on the date this Agreement is fully executed, except where subject to prior regulatory filing requirements and/or review. If a regulatory filing and/or review is necessary in any state, the applicable Exhibit for such state will be effective on filing or receipt of necessary regulatory or other governmental approvals as applicable.

If any provision of this Agreement or the provision of any Service under the terms hereof is illegal, invalid, or otherwise prohibited under applicable law or regulation in any State or jurisdiction, or does not receive any governmental or regulatory approval required by law in any State or jurisdiction within one hundred twenty (120) days after full execution by both parties, then this Agreement shall be construed as if not containing such provision or requiring the provision of such invalid, illegal, prohibited, or unapproved Service in such State or jurisdiction.

**Service Period.** Customer shall purchase the Services in each of Exhibits A through M, commencing in each state upon the execution of this Agreement, installation of the Services (if not previously installed and cutover), and receipt of all necessary regulatory and other governmental approvals that may be required prior to the provision of such Service under the terms hereof. The parties agree that the Service Period shall commence on the date Verizon receives all regulatory approvals required to provide Services under the rates and terms of this Agreement in all states identified in Exhibits A through M or one hundred twenty (120) days after the Agreement is fully executed, whichever is earlier, and shall expire thirty-six (36) consecutive months thereafter (the "Service Period"). Customer may elect to extend the Service Period for two (2) additional twelve (12) month periods in its sole discretion (each an "Optional Renewal Period"). In the event Customer elects to exercise one or both of the Optional Renewal Periods, Customer shall notify Verizon, in



writing, at least sixty (60) days prior to the expiration date of the Service Period, or the expiration date of the first Optional Renewal Period, if exercised.

**Termination Charges.** If Customer terminates this Agreement in whole, for any reason prior to the expiration of the Service Period or Optional Renew Period(s), if exercised, Customer will pay Verizon a termination charge equal to fourteen dollars (\$14.00), multiplied by the Minimum Line Obligation, multiplied by the number of months remaining in the Service Period or Optional Renewal Period(s) if applicable. Any such termination liability charge shall be due and payable in one lump sum within thirty (30) days of billing.

**Assigned Numbers.** Customers are required to keep 50% or more of their assigned numbers working at all times in order to retain assignment of their entire block of numbers. Verizon will notify Customer annually if their number of working numbers drops below 50% of their assigned numbers so that action can be initiated by Customer to increase their number of assigned numbers working or by Verizon to reclaim numbers. Numbers shall be considered working if they provide dial tone for a minimum of 90 nonconsecutive days during each calendar year in which they are assigned to Customer.

**Technology Upgrade.** If, at any time after the completion of twelve (12) months of the Service Period, Verizon offers to the public a modification, enhancement or improvement to this Service that increases the speed, bandwidth or capacity of this Service ("Upgrade") and such Upgrade is available in the areas of Customer's locations, Customer may request such Upgrade in replacement of all or a portion of this Service at the Customer's locations without termination liability for the replaced Service, provided that (i) Customer subscribes to the Upgrade for a service period at least as long as the Service Period remaining for the replaced Service under this Agreement; (ii) Customer subscribes to the Upgrade at the same Customer locations as the replaced Service at the rates determined by Verizon and agreed upon by the parties for such Upgrade or at generally available tariffed rates for such Upgrade; and (iii) total charges for such Upgrade for the revised Service Period are equal to or exceed the total charges remaining for the replaced Service. The Upgrade shall be provided, and the applicable rates, terms and conditions will take effect, only after mutual agreement of the parties on all such rates, terms and conditions and only after all necessary filings are made with governmental entities and approvals from such entities are obtained. Rates for the Upgrade will apply prospectively only. Customer may exercise its rights under this technology upgrade clause only once during the term of the Service Period.

**Significant Business Change.** If at any time during the Service Period, Customer experiences a Significant Business Change as defined below and Customer has promptly notified Verizon in writing of the conditions (including appropriate documentation and data) which Customer believes give rise to the application of this provision and has certified to Verizon that (1) it has not substituted the affected Services with service provided by another provider; (2) that as a result of the Significant Business Change, Customer is unable to meet requirements to subscribe to the Minimum Line Obligation as set forth in this Agreement and (3) identifies the number of lines of service which will be displaced by the Significant Business Change (the "Displaced Services"), then (a) if the amount of Displaced Services is less than twenty percent (20%) of the Minimum Line Obligation, Verizon will reduce the Minimum Line Obligation by a number of lines equal to the Displaced Services; or (b) if the amount of Displaced Services is greater than 20% but less than 40% of the Minimum Line Obligation, Verizon will reduce the Minimum Line Obligation by the number of lines equal to the Displaced Services and shall be entitled to increase the Monthly Recurring Rates for the Services by no more than ten (10%) percent; or (c) if the amount of Displaced Services is greater than forty percent (40%) of the Minimum Line Obligation, Verizon and Customer will enter into good faith negotiations concerning prospective modifications to the Minimum Line Obligation and the rates and charges for the Service remaining.

For purposes of this provision a "Significant Business Change" shall include one or more of the following: (a) a "Technology Change" which means a significant new technology driven change which becomes available only after the commencement of the Service Period of this Agreement, and which is deemed by Customer to be operationally or economically necessary for Customer and which substantially improves upon the functionality of the Services provided by Verizon and Verizon is unwilling or unable to make available to Customer a reasonable, functional equivalent within a commercially reasonable period following Verizon's receipt of written notice from Customer; (b) a "Business Divestiture" which means the sale or divestiture by Customer of a subsidiary, affiliate or significant operating unit (such as 100 or more retail XXXXXX Stores) that use the Services hereunder; (c) a "Business Downturn" which means a business downturn beyond Customer's control which materially and permanently reduces the size or scope of Customer's operations and number of lines of Service required by Customer hereunder. For purposes of clarification, a Business Downturn does not include overall changes to Customer's use of telecommunication services or alteration of its telecommunications network architecture; or (d) a "Technology Migration" which means the migration by Customer from the Service provided hereunder to another service provided by Verizon.

Any modification resulting from Customer's request to invoke this provision shall be memorialized in a written amendment to this Agreement and will not become effective until all necessary filings are made and governmental approvals are obtained. Customer may exercise its rights under this Significant Business Change provision only once during the term of the Service Period.

**Benchmarking.** At any time after the (18<sup>th</sup>) month of the Service Period, provided Customer has met (1) the Minimum Line Obligation for the first twelve (12) months of the Agreement and (2) all of its other material obligations under this Agreement then Customer may request in writing a review of the rates and charges for the Services provided hereunder to determine if such rates and charges, taken in whole, remain competitive in the marketplace (the "Review"). The parties agree to enter into good faith discussions within thirty (30) days following receipt of Customer's written request. If following the Review, Verizon and Customer determine the

rates and charges hereunder remain competitive then the rates and charges will continue in force for the remainder of the Service Period. If following the Review, Verizon and Customer agree that the rates and charges herein, taken in their entirety, are no longer competitive, then the parties may enter into a written amendment to the Agreement to amend the rates and charges on a prospective basis. If ninety days (90) following the Review, Verizon and Customer agree that the rates and charges herein taken in their entirety, are no longer competitive but are unable to agree on the appropriate revisions needed to make the rates and charges competitive prospectively or Verizon and Customer cannot agree on whether the rates and charges remain competitive, the Customer may request a fifteen percent (15%) reduction in the Minimum Line Obligation identified above which will be reflected in a written amendment to this Agreement and will apply on a prospective basis and subject to all necessary filings and Verizon's receipt of any necessary regulatory and or governmental approvals required to effect the amendment. Customer may request a Review once during the Service Period.

**Notices.** Notices under this Agreement shall be sent by first-class U.S. mail, postage prepaid, to Customer at the address specified above, and to Verizon at Verizon Business, Attn: Customer Service, 6415 Business Center Drive, Highlands Ranch, CO 80130. Notices shall be deemed effective five business days after such mailing.

**Miscellaneous.** (a) Neither party will disclose the terms of this Agreement to any other person without the prior written consent of the other party, except as may be necessary to comply with applicable law, regulation, or filing requirements. Either party may issue or permit issuance of a press release or other public statement concerning this Agreement provided its contents have been reviewed and agreed upon by the parties.

(b) In the event of a claim or dispute, the law and regulations of the jurisdiction in which Verizon provides to Customer the particular Service that is the subject of such claim or dispute shall apply. This Agreement and its provisions shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions.

(c) No liability shall result from Service failures caused by fires, floods, severe weather, acts of government or third parties, strikes, labor disputes, inability to obtain necessary equipment or services, or other causes beyond such party's reasonable control.

(d) Verizon may assign or transfer part or all of this Agreement to any affiliate or successor to substantially all of its assets in the locations where Service is provided hereunder. Upon reasonable prior written notice to Verizon, Customer may assign or transfer this Agreement to an affiliate or any company that is the successor to substantially all of its assets, provided all charges for Services provided prior to such transfer or assignment are paid in full when due and provided such affiliate or successor meets Verizon's creditworthiness standards for the assignment to become effective. Except as otherwise required by applicable law or regulation, all other attempted assignments shall be void without the prior written consent of the other party.

(e) Except as otherwise required by applicable law or regulation, the Services provided hereunder may not be resold by Customer.

(f) Customer must sign and date this Agreement on or before April 10, 2009 or the proposed Service arrangement and pricing will no longer be available.

(g) **Supersede.** This Agreement will supersede and replace that certain Services Agreement by and between [REDACTED] and Verizon Services Corporation on behalf of the Verizon companies identified in the Exhibits thereto, fully executed by the parties on December 30, 2005 and as subsequently amended by the parties pursuant to various amendments, without the application of termination charges or the application of shortfall liability (reference numbers: 2005-334726, 338070, 334727, 334721, 337708, 334724, 334725, 333905, 338652 and 338946). This Agreement will supersede and replace that certain Application for Service by and between [REDACTED] and Verizon Services Corporation on behalf of the Verizon companies identified in the Exhibits thereto, fully executed by the parties on December 29, 2000 and as subsequently amended by the parties pursuant to various amendments, without the application of termination charges or the application of shortfall liability (reference numbers 2000-144376 and 145294 and 2006-368959, 368999, 369071, 365024, 368944, 368956 and 388300). This Agreement will supersede and replace that certain Service Agreement by and between [REDACTED] and Verizon California Inc., fully executed by the parties on August 17, 2006, without the application of termination charges or the application of shortfall liability (reference numbers 2006-373603).

(h) Verizon will identify certain Verizon employees to assist Customer with the Services provided under this Agreement (the "Account Team"). The Account Team will be responsible for addressing Customer's issues related to the Service such as billing inquiries, ordering of Services and resolution of issues and disputes. Verizon will use reasonable efforts to maintain the consistency of the Account Team however Verizon reserves the sole discretion of make changes to the Account Team without approval from Customer. In the event that Customer lawfully and in good faith determines that the continued assignment to Customer of an individual(s) on the Account Team is not in the best interest of Customer, Customer shall provide notice to that effect requesting that such individual(s) be replaced. Verizon shall have a reasonable period of time following Customer's request in which to investigate the matters forming the basis of such request, correct any deficient performance and provide Customer with assurances that such deficient performance shall not recur. If, following such reasonable period, Customer is not reasonably satisfied with the results of Verizon's efforts to correct the deficient performance and/or to ensure its non-recurrence, Verizon shall, as soon as reasonably possible, remove and replace such individual(s) with other personnel.

(i) If at any time during the Service Period Verizon notifies Customer of its intention to discontinue providing the Services hereunder prior to the end of the Service Period, then Verizon and Customer will enter into good faith discussions to identify a comparable replacement service and identify a migration plan for the transition to the comparable replacement service. Any mutual agreement to implement a comparable replacement service will be memorialized by a written amendment to this Agreement fully executed by the parties. In the event Verizon and Customer fail to reach agreement on a comparable replacement service, then Customer shall have the

right to terminate the affected Service hereunder without further obligation except for the payment for Services provided until the effective date of termination.

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

**AGREED AND ACCEPTED:**

\_\_\_\_\_ (Customer)

VERIZON BUSINESS NETWORK SERVICES Inc., on behalf of the Verizon company(ies) identified in the Exhibits and Addenda hereto

B: \_\_\_\_\_  
Name/title \_\_\_\_\_  
Date 12/9/08

By \_\_\_\_\_  
Name/title \_\_\_\_\_  
Date Suleiman Hessam  
VP Pricing/Contract Management

12/15/08

REDACTED





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331 Penn Av, Williamsburg, 13221

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

State: Washington

Customer name: [REDACTED]

ICB Case No.: 2008-461819

**1. Services and Quantity Commitments.** Customer agrees to purchase the CentraNet Service from Verizon at the Customer locations and at the rates and charges set forth below during the Service Period or any exercised Optional Renewal Period(s). Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, under separate individual case basis agreement or formal amendment to this Agreement. 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.

<u>Service Item</u>	<u>Monthly Unit Rate</u>
Analog CentraNet Access Line, per line	\$11.75
Network Access Register	Per Tariff
End User Common Line Charge	Per Tariff

PRICING NOTES: (a) Tariff non-recurring charges shall not apply to Customer's existing Service. Tariff non-recurring charges apply to the installation of additional lines. Tariff non-recurring charges will also apply to changes made to initial lines and to additional lines added during the Service Period hereunder.

(b) The MRC above does not include local, federal or state fees, taxes or surcharges. Network Access Register and End User Common Line Charges apply per Tariff and are subject to change.

(c) The MRC includes the standard features as defined in the applicable tariff and are subject to change.

(d) Tariff non-recurring installation charges associated with the conversion of Customer's existing POTS lines to CentraNet Service will be waived provided such POTS Lines are converted to CentraNet Service within the first twelve (12) months of the Service Period.

**2. Addition of Lines and Features.** Upon written request, Customer may subscribe to additional lines of Service at the Locations identified below or at additional locations during the Service Period. Provided Verizon has suitable facilities available to provide such additional Service at costs substantially similar to the cost to provide the Service initially requested herein, Verizon will provide such Service at the same Monthly Line Rate hereunder, plus tariffed installation charges, and no written amendment to this Agreement will be necessary. If a different Monthly Line Rate is required by Verizon, then Verizon will determine the applicable rate and present it to Customer for its consideration. Verizon shall not be required to provide any such additional Services until and unless both parties mutually agree in writing to any such different Monthly Line Rate. The Service Period for all such additional lines of Service, or additional services or features, shall be coterminous with the Service Period set forth herein unless otherwise agreed in writing.

**3. Additional Provisions.**

a. **Conditions.** The parties acknowledge that the rates and other terms of this Agreement are premised on Customer's commitments, unique network design requirements, and Customer's service mix, usage patterns and concentration, and other characteristics.

b. **Service Continuation.** (i) If, at the time of expiration of the Service Period or an Optional Renewal Period, if applicable, a new agreement or tariffed service arrangement with Verizon for the Services is not effective as defined above and Customer has not requested, in writing, disconnection of the Services, then the Services will be reverted to applicable tariff or other Commission-authorized rate(s) for the minimum service commitment period available. The applicable tariff or other Commission-authorized arrangement will govern the service arrangement prospectively, including rates, terms and conditions, which may include charges for termination prior to the end of the minimum tariff service commitment period. If there is no applicable tariff or other Commission-authorized service arrangement, then the Service will be subject to disconnection upon the expiration of the Service Period or if applicable the Optional Renewal Period of this Agreement. If, upon expiration of the Service Period or exercised Optional Renewal Period, there is a delay in reverting rates to the applicable tariff or other Commission-authorized rate(s), or in disconnecting the Services if no tariff or Commission-authorized service arrangement is available, the Service Period or exercised Optional Renewal Period shall be deemed temporarily extended on a month-to-month basis until such reversion of rates or disconnection of Services is completed. In no event, however, will such temporary extension of the Service Period or Optional Renewal Period continue more than twelve months after the expiration of the initial Service Period or Optional Renewal Period. (ii) If Customer indicates to Verizon in writing that it desires to negotiate a new contract or tariffed service arrangement to continue or replace the Services provided for herein, the Service Period or Optional Renewal Period shall automatically be extended for a period not to exceed 60 days from the end of the initial Service Period or Optional Renewal Period to allow the parties to finalize a new agreement or to transition to a tariffed service arrangement. Written notice must be provided by Customer at least 30 days prior to the end of the initial Service Period or Optional Renewal Period. For purposes of this paragraph only, written notice may be by facsimile or electronic mail.

REDACTED



c. Detariffing. In the event any of the Services are hereafter detariffed, then the terms of the tariffs in effect immediately prior to such detariffing shall be deemed to be incorporated by reference and shall continue to apply to the provision of the Service to the same extent as such tariffs applied hereunder prior to such detariffing.

d. Facilities. Additional charges may be required if suitable facilities are not available to provide 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 Customer of such applicable charges, and Verizon will install such facilities only upon mutual written agreement of the parties to such additional charges. If Customer does not agree to pay such additional charges, then this Agreement will be subject to termination by Verizon without application of the termination charges described above.

5. 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 Agreement in accordance with Section 2 above.

Service Address	City	BTN
<b>REDACTED</b>		

**REDACTED**



**Exhibit N**

This Exhibit N provides a list of the BTN's associated with Customer's Additional Lines of Service. Customer's quantity of Additional Lines of Service associated with such BTN as identified in the table below shall contribute to Customer's satisfaction of the Minimum Line Obligations as set out in this Agreement. Customer's Additional Lines of Service shall be provided by Verizon solely pursuant to Verizon's applicable tariff for such service and not this Agreement.

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